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THE CONGRESSIONAL BUDGET PROCESS: A GENERAL EXPLANATION

COMMITTEE ON THE BUDGET
U.S. HOUSE OF REPRESENTATIVES

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THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974: A GENERAL EXPLANATION

WHY A BUDGET PROCESS?

Of all of the legislative matters before the 435 Members of the House and the 100 Members of the Senate, none is more political or more crucial than the choices embodied in the Federal budget. The budget touches virtually every significant political issue which must be considered by the Congress in any given year: Does the economy need an immediate tax cut or tax increase and, if so, how should it be targeted and what size should it be? Is the consumer price index a direct contributor to inflation because it triggers billions of dollars in additional Federal spending? Should indexing of Federal programs be modified or eliminated? How can fraud, waste, and abuse in both military and domestic spending be identified and controlled? Do we need an overall spending limit that is vigorously enforced? Would a constitutional amendment to require balanced budgets work? Economists may offer advice on the anticipated consequences of these and other choices, but the decisions are made by politicians. The budget process is Congress' mechanism to organize, present, and resolve choices such as these.

In July 1974, when the Congressional Budget and Impoundment Control Act (Public Law 93–344) was adopted, the Congress declared that it was essential:

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures;

(3) to provide a system of impoundment control;

(4) to establish national budget priorities; and

(5) to provide for the furnishing of information by the executive branch in a manner that would assist the Congress in discharging its duties.

To implement the Act, the Congress adopted new organizational units and procedures.

The fundamental purpose of the budget process is to provide order, guidance, and information to the Congress on major economic and fiscal policy issues to enable Members to make informed choices. This advice is nonpartisan and objective, taking into account the broad trends in the economy as they relate to major economic problems such as unemployment and inflation. Underlying the implementation of the budget process is the belief that responsible Federal fiscal policy must be in tune with political and economic realities. This requires a systematic and periodic assessment of the objectives of the public sector, the balance between anticipated revenues and future expenditures, and the relative tax burdens on individuals and businesses. The budget process also gives the Congress a capability to propose a coherent congressional alternative to the President's budget based on an examination of the whole budget rather than unrelated and often isolated parts.

Self-discipline and responsibility for the economic consequences of fiscal decisions are key ingredients to understanding the intended impact of the budget process. All budget resolutions, whether they set targets or ceilings, are meaningful only to the extent that the majority of Members of Congress accept and act in accordance with their provisions. Budget resolutions are not laws, they do not directly appropriate money or raise revenues, but they should impose discipline.

The budget process enables the Congress to assess the relative merits of spending and revenue measures in conjunction with the overall needs of the economy. Without such a perspective, the stage is often set for special interest manipulation, executive domination, and inconsistent spending and revenue actions.

In order to understand the congressional budget system, it is important to distinguish between the budget process as a means to develop fiscal policy, and the specific policy objectives and priorities that are formulated in any given budget resolution. Viewpoints vary as to the specific objectives of budget resolutions. Some believe that resolutions should simply be used to reduce spending. Others believe a budget should primarily be an instrument to stimulate economic activity or promote national objectives such as social justice. Still others view a budget resolution as the vehicle through which the Congress establishes and enforces its control over the Nation's fiscal policy. In any given year, all or some of these views may be expressed. But regardless of the view motivating an individual Member, it is fair to say that the budget process gives him or her an opportunity to offer ideas as to the overall direction the Congress should take on fiscal matters. In that sense, by anyone's assessment, the budget process has been highly beneficial and successful. In this regard, the budget process has been able to accomplish what no other set of procedures and mechanisms has heretofore been able to do.

Specifically, the following accomplishments may be suggested to illustrate how the budget process has strengthened the congressional role in the formulation of fiscal policy:

First, and perhaps foremost, the character of debate over spending priorities and revenue measures has vastly improved. The impact on the economy of a proposed increase or decrease in social security taxes no longer escapes scrutiny. A proposed expansion of funding levels for national defense can now be evaluated in terms of its probable impact on the economy and its relation to other spending priorities. Proposals to expand public works programs or the highway trust fund are now more carefully analyzed in terms of their impact on the Nation's overall unemployment levels and their effect on inflation. In brief, Congress has the capability now to debate and choose its specific objectives in conjunction with its overall priorities and with macroeconomic conditions.

Second, Members receive more and better information. Congress is no longer at the mercy of the executive branch for precise and accurate data. Estimates of future spending decisions have become more accurate. The overall cost of a particular bill or measure is more accurately assessed. At any given moment, Congress now knows where it stands on total spending, and is able to assess and evaluate each spending decision with regard to overall spending targets. The specific impact of fluctuations in the economy, such as the rise in the unemployment rate, or budgetary expenditures is now more widely understood and appreciated. The budget process has restored credibility to the congressional role in determining overall fiscal policy.

Third, the implementation of the budget process has been instrumental in improving congressional consideration of fiscal matters in a timely and forthright manner. Furthermore, the erosion of the normal appropriations process through the device of "backdoor spending" has been sharply curtailed. Unilateral executive impoundments of appropriated funds have been eliminated through the new procedures of rescission and deferral.

Fourth, in the spring, the Congress now makes decisions with regard to appropriate aggregate spending and revenue targets, and in the fall, takes the final step in the form of a binding resolution that sets a revenue floor and a spending ceiling based on congressional priorities.

Finally, the Congress has made significant progress in restoring public confidence in, and increasing public understanding of, its fiscal policy decisions. It is now possible for the public to assess Congress' actions in terms of how spending and revenue priorities are developed. In a democratic society, such understanding is critical.

Even in its relatively short history, it has been demonstrated that the congressional budget process plays a significant role in the way Congress legislates and makes its program and financial decisions. Accordingly, the purpose of this section is to provide a general explanation of the major provisions and requirements of the Budget Act. The following specifics are addressed:

—House and Senate Budget Committees
—Congressional Budget Office
—Congressional Budget Process
—Reconciliation Process
—Public Debt Limit
—Enrollment of Spending Bills and Miscellaneous Matters
—Special Procedures for Backdoor Spending Legislation
—Budget Information, Program Evaluation, and Effective Dates
—Impoundment Control

In order to understand better how the congressional budget process works and what it means, a brief discussion of the need and background that led to budget reform in 1974 precedes the explanation of the individual issues.

THE NEED FOR BUDGET REFORM

Although the great budget and impoundment battles of the early 1970's were the immediate stimuli to congressional budget reform, the need for that reform had been widely recognized for many years. Despite the constitutional restriction that "No money shall be drawn from the Treasury but in consequence of appropriations made by law," the Congress had, in the eyes of many, lost the power of the purse to the Executive Branch.

The causes were deep and long standing, mirroring in many ways the growth and complexity of American society itself.

First, the size of the Federal budget and its impact on the Nation's economy.

In little more than half a century, the budget had grown from $3 billion to over $400 billion; and since the turn of the century, the national debt had risen from $1 billion to more than $700 billion.

The budget had become the Nation's principal tool for determining governmental goals and economic policy, affecting nearly every facet of American society. Yet the Congress lacked a comprehensive mechanism for establishing priorities among its goals and for determining economic policy through the budget process.

Second, past budget reform efforts which enhanced and centralized budget authority in the executive branch while permitting increased fragmentation of spending authority within the Congress.

The Antideficiency Act (first enacted in 1905 and amended in 1906 and 1950) was interpreted by the Executive to permit it to reserve (impound) funds not needed to accomplish legislative objectives. The Budget and Accounting Act of 1921 vested in the President sole responsibility to prepare and submit an executive budget to the Congress, and established a Bureau of the Budget to administer the new budget system. These congressional enactments permitted the Executive to achieve a great concentration of financial and policy-making authority first in the Budget Bureau and more recently in the Office of Management and Budget.

Despite periodic efforts to centralize budget responsibility in Appropriations Committees and to enact an overall legislative budget, budget responsibility remained dispersed throughout the Congress. Both taxing and spending actions were carried on over many months in many different legislative measures. Budget actions never explicitly decided the size of the budget, whether it should be in surplus or deficit, and precisely by what amount. The budget process was, in fact, merely the sum of dozens of isolated and usually unrelated actions, sometimes having the effect of stimulating the economy when restraint was needed, and vice-versa.

Third, the nature and timing of congressional budget actions. About 75 percent of the budget was regarded as "relatively uncontrollable under existing law," and uncontrollables had become the fastest rising part of the total budget. Backdoor spending—that is, spending outside the regular appropriation process—represented more than half of all spending.

Appropriation bills were seldom completed by the beginning of the fiscal year for which funds were to be provided, causing many Federal agencies to operate on continuing resolutions for part, and in some cases, all of the year.

And fourth, the increasing use of impoundments by the Executive, which directly challenged Congress' constitutional power to establish spending priorities.

Acting pursuant to the limited authority granted in the Antideficiency Act, the Executive claimed power not merely to defer or delay spending for various programs, but to determine which programs should be continued and which eliminated altogether. Impoundment actions were vigorously challenged in the courts and within the Congress itself. Although most impoundments were reversed, the lack of a comprehensive and coherent budget process clearly placed the Congress in a weakened position to contest the Executive's action.

THE BACKGROUND OF BUDGET REFORM (PRIOR TO 1974)

Reform of its budget process has been a continuing concern of the Congress since World War II:

In the Legislative Reorganization Act of 1946, the Congress provided for the adoption of a legislative budget recommended by a joint committee composed of all House and Senate Appropriations, Ways and Means, and Finance Committee members. Yet, in 1947, the Congress was unable to agree on a budget ceiling; in 1948, it adopted a ceiling, but ignored it in later spending decisions; and in 1949, it abandoned the legislative budget altogether.

In 1950, the Congress enacted an Omnibus Appropriations Bill covering all of the regular bills usually acted upon separately. Again, it abandoned the process the following year.

In 1952 and many times again in subsequent years, the Senate passed a bill creating a Joint Committee on the Budget. The House, however, did not take similar action.

In 1972, however, the Congress embarked firmly on the path to meaningful reform. During consideration of legislation to raise the ceiling on the public debt, the President requested authority to hold fiscal year 1973 spending to $250 billion. Although both Houses adopted the requested limit on spending, they were unable to agree on what discretion the President should be given to enforce the ceiling. Consequently, the ceiling was eliminated by the House-Senate conferees.

The 1972 debt limit legislation (Public Law 92-599), however, established a Joint Study Committee on Budget Control and directed it to study ". . . the procedures which should be adopted by the Congress for the purpose of improving congressional control of budget outlay and receipt totals, including procedures for establishing and maintaining an overall view of each year's budgetary outlays which is fully coordinated with an overall view of anticipated revenues for that year."

The Joint Committee issued its final report in April 1973 and legislation was introduced in both Houses to implement its recommendations. After significant modification by both House and Senate committees, including the addition of anti-impoundment procedures originally considered in separate legislation, both Houses overwhelmingly approved the budget reform legislation. Although the House and Senate versions differed significantly in detail, the main thrusts of the Joint Committee recommendations were not at issue. Final action in both Houses was completed in June 1974, and the bill was signed into law July 12, 1974, as Public Law 93-344.

The Act contains 10 titles which, for purposes of explanation, can be grouped into four major categories, as follows:

> Titles I and II establish Committees on the Budget in both the House and the Senate and a Congressional Budget Office to improve the Congress' informational and analytical resources with respect to the budgetary process;
>
> Titles III and IV establish a timetable and procedures for various phases of the congressional budget process;

Titles V through IX amend the Budget and Accounting Act of 1921 and the Legislative Reorganization Act of 1946 and 1970 to provide for a new fiscal year, improvements in budget terminology and information to be included in the President's budget submissions, improved program review and evaluation procedures, and effective dates for the various provisions of the Act; and

Title X establishes procedures for congressional review of Presidential impoundment actions.

Titles I through IX are known as the Congressional Budget Act and Title X is known as the Impoundment Control Act.

THE HOUSE AND SENATE BUDGET COMMITTEES

The Act establishes a standing Committee on the Budget in each House. The House Committee is composed of 30 members [1] five from the Ways and Means Committee; five from the Appropriations Committee; eighteen from other standing committees of the House; and one member each from the majority and minority leadership.

The composition of the House Budget Committee recognizes the special need to coordinate revenue and expenditure actions by participation of Ways and Means and Appropriations Committee members. However, the entire House membership is drawn into the budget process to assure that all interests and views are represented by the making of fiscal decisions. All Budget Committee members are selected by party caucuses, including the Chairman, who is not required to come from the Ways and Means or Appropriations Committee. No member may serve more than 6 years in five successive Congresses,[2] except that an incumbent Chairman having served during three Congresses on the committee and not more than one Congress as Chairman and who is reelected for one additional Congress as Chairman shall not be subject to this limitation. Finally, selection of members and Chairman is made without regard to seniority.

The Senate Budget Committee consists of 22 members,[3] selected from the Senate at large in the same manner as other standing committees of the Senate.

The House and Senate Committees are given the following duties by the Act:

(1) To report to their respective Houses the matters required by Title III of the Act relating to "concurrent resolutions on the budget" (a term defined in the Act and discussed in greater detail following);

(2) To make continuing studies of the effect on budget outlays of relevant existing and proposed legislation;

(3) To request and evaluate continuing studies of tax expenditures and methods of coordinating tax expenditures with direct budget outlays; and

(4) To review the operations of the Congressional Budget Office.

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[1] Originally 23 under the Act, but increased to 30 beginning with the 97th Congress by amendment to the Standing Rules of the House.

[2] Originally 4 years under the Act but changed by amendment to the Standing Rules of the House, beginning with the 96th Congress.

[3] Originally 15 under the Act, but changed by amendment to the Standing Rules of the Senate, beginning with the 96th Congress.

The House committee's jurisdiction extends to all "concurrent resolutions on the budget," and to all other matters required to be referred to it under Title III of the Act. Title IV expands the jurisdiction of the Senate Budget Committee with respect to consideration of waivers under section 402 of the Act.

Section 306 of the Act gives the Budget Committees exclusive jurisdiction over any bill, resolution, or amendment which deals with any matter covered by a "concurrent resolution on the budget." For example, it would not be in order to consider a concurrent resolution on the budget reported by the Appropriations Committee.

One other provision of Title III specifies an additional matter under the jurisdiction of the Budget Committees. Section 310 provides for the reporting by the Budget Committees of reconciliation bills or resolutions involving the actions of two or more committees called for in a budget resolution. This process is discussed in greater detail in a separate section on reconciliation.

It is important to note the distinct nature of the functions of the two Budget Committees. They are created to guide the Congress in the tasks of setting national fiscal policy aggregates; that is, total spending, revenue, and debt levels. No other committee of the Congress performs these tasks, a major defect prior to the establishment of the congressional budget process.

Furthermore, the Budget Committees are not intended to diminish in any way the responsibilities or prerogatives of other committees. They are intended to provide new fiscal policy and priority-setting functions which, properly executed, will enable other committees to perform their tasks with greater focus and effect.

THE CONGRESSIONAL BUDGET OFFICE

In addition to the two Budget Committees, the Act establishes a Congressional Budget Office.

This office is headed by a Director appointed by the Speaker of the House and the President pro tempore of the Senate after receiving recommendations from the House and Senate Budget Committees. The CBO Director, who is required to be appointed without regard to political affiliation, has a 4-year term of office and may be removed by either House.

The CBO is given wide-ranging and important responsibilities by the Act. With a specific mandate to assist the House and Senate Budget Committees, it serves as a principal source of information on the budget and on taxing and spending legislation. It has assumed the functions of the Joint Committee on Reduction of Federal Expenditures, particularly its scorekeeping duties which are an extremely important part of the budget process. Scorekeeping involves the tracking of Congress' numerous spending decisions and relating them to the budget authority and outlay targets established in concurrent resolutions on the budget. Also, on April 1 of each year it reports to the two Budget Committees on fiscal policy and national priorities for the next fiscal year.[4] This report discusses alternative budget levels, in the aggregate as well as for each major functional category of the budget.

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[4] The CBO annual report and economic forecasts are now submitted to the Budget Committees in January or February to be used in preparation for markup of the first budget resolution.

THE CONGRESSIONAL BUDGET PROCESS

Title III of the Act includes a timetable for various phases of the congressional budget process, prescribing the actions to take place at each point. Title IV contains new procedures relating to three types of "backdoor spending" authorities (contract, borrowing, and entitlement authority) and authorizing legislation which are important elements of the system.

THE CONGRESSIONAL BUDGET TIMETABLE (SEE ALSO ATTACHMENT A)

Following is a description of the elements of the congressional budget timetable set forth in Section 300 of the Act:

	Action to be completed
On or before Nov. 10[5]	President submits current services budget.

Submission of a current services budget is the first element in the timetable. The analysis estimates the budget authority and outlays needed to carry on existing programs and activities for the next fiscal year under current law; includes outlay changes that result from increased numbers of beneficiaries entitled to receive payments, higher benefit levels due to increases in the cost-of-living and added outlays necessary to maintain program levels at rising costs. Its purpose is to give the Congress, at the earliest date possible, detailed information with which to begin preparation of the budget for the coming fiscal year.

	Action to be completed
On or before 15th day after Congress meets.	President submits his budget.

The President's budget is required to be submitted, as in the past, 15 days after the Congress convenes. This budget remains one of the major factors in the development of the congressional budget. Shortly after its submission, the two Budget Committees begin hearings on the budget, the economic assumptions upon which it is based, the economy in general, and national budget priorities. Participants at these hearings include Administration officials, Members of Congress, and representatives of various national interest groups.

	Action to be completed
On or before Mar. 15	Committees and joint committees submit reports to Budget Committees.

An important step in the budget process is the submission of the views and recommendations of all standing committees of the House and Senate. These reports are due March 15, 1 month in advance of the reporting date of the first concurrent resolution on the budget. These reports are important to the proper functioning of the budget process and, accordingly, are made mandatory by the Act. They provide the Budget Committees with an early and comprehensive indication of committee legislative plans for the next fiscal year. These reports contain the views and estimates of new budget authority and outlays to be authorized in legislation under their jurisdictions which will become effective during the next fiscal year.

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[5] By agreement between the Budget Committees, Appropriations Committees, and OMB, the current services budget is now submitted in January in the President's Special Analyses of the Budget.

In addition, the Joint Economic Committee is directed to submit a report with its recommendations as to the fiscal policies that would be appropriate to achieve goals of the Employment Act of 1946, as amended.

	Action to be completed
On or before Apr. 1[6]	Congressional Budget Office submits report to Budget Committees.

The Congressional Budget Office is required to submit its report to the Budget Committees on or before April 1. This report, described earlier in connection with CBO's duties, deals primarily with overall economic and fiscal policy and alternative budget levels and national budget priorities.

	Action to be completed
On or before Apr. 15..........	Budget Committees report first concurrent resolution on the budget to their Houses.

April 15 is fixed by the Act as the deadline for reporting by the Budget Committees of the first concurrent resolution on the budget. The date allows 1 month for floor consideration in each House, conference between the two Houses, and adoption of conference reports, required to be completed by May 15.

The concurrent resolution sets forth the following:

(1) the appropriate levels of total budget authority and outlays for the next fiscal year, both in the aggregate and for each major functional category of the budget;

(2) the appropriate budget surplus or deficit for the next fiscal year;

(3) the recommended level of Federal revenues and recommended increases or decreases in revenues to be reported by appropriate committees;

(4) the appropriate level of the public debt and recommended increases or decreases to be reported by appropriate committees; and

(5) any other matters deemed appropriate to the congressional budget process.

Attachment C contains a copy of the Conference Report to accompany the Second Concurrent Resolution on the Budget for Fiscal Year 1981.

In addition, the report on the resolution compares the Budget Committee's revenue estimates and budget authority and outlay levels with the estimates submitted in the President's budget and the CBO analysis of the President's budget. I may also identify the recommended sources of revenues; make 3-year budget projections; present the economic assumptions and objectives of the resolution; and indicate significant changes, if any, in Federal aid to States and localities.

The first budget resolution for a given fiscal year establishes *targets* for budget authority and outlays for each of the major functional categories, as well as for the five major budget aggregates—revenues, budget authority, outlays, deficit, and public debt. Beginning with the First Concurrent Resolution on the Budget for Fiscal Year 1981, aggregate targets for direct loan obligations and loan guarantee commitments were also included. These budget targets, which represent a congressional determination of appropriate fiscal policy and national budget priorities, guide the Congress in its subsequent spending and revenue decisions. With the adoption of the second concurrent budget resolution, discussed below, the aggregate budget authority and outlay levels become binding ceilings, and the revenue level become a binding floor.

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[6] This report has generally been submitted in March in order to accommodate markup of the first budget resolution.

Following adoption of the budget resolutions, the Budget Committee, aided by the CBO, provides up-to-date scorekeeping reports to inform Members as to how congressional action on spending and revenues compare with the budget aggregates and functional targets in the resolution.

On or before:	*Action to be completed*
May 15	Committees report bills authorizing new budget authority.
May 15	Congress completes action on the first concurrent resolution on the budget.

May 15 is a key date in the congressional budget process for two reasons. First, it is the deadline for the reporting of legislation authorizing new budget authority, a requirement imposed by section 402(a) of the Act. Authorization measures reported after that date may be considered in the House only if an emergency waiver reported by the Rules Committee is adopted. Exempted from this May 15 reporting requirement are entitlement bills and social security legislation.

This timetable is both an important part of the overall budget process and a prerequisite to the timely enactment of appropriation bills. In addition, section 607 of the Act requires advice submission by the executive branch of proposed authorizing legislation (that is, submission at least 1 year and 4½ months in advance of the fiscal year to which it applies); and the statement of managers on the Budget Act expressed its expectation that the Congress would develop a pattern of advance authorizations for programs now authorized on an annual or multiyear basis.

Second, May 15 is the deadline for the adoption of the first budget resolution by the Congress; and prior to its adoption, neither House may consider any revenue, spending, entitlement, or debt legislation. The only measures permitted to be considered prior to the adoption of the first resolution are those involving advance budget authority or changes in revenues which first become effective following the fiscal year dealt with in the first resolution.

The Act provides special procedures for House consideration of the first (and any succeeding) budget resolution and conference reports on such resolutions. Floor consideration may begin only after a 10-day layover period so that Members may have a full opportunity to study the resolution and the accompanying report. Consideration is in the Committee of the Whole, with 10 hours allowed for general debate, and amendments considered under the 5-minute rule. Amendments must be mathematically consistent and must contain all aggregate and functional totals required by the Act. A motion to recommit the resolution is not in order; nor is a motion to reconsider. Of course, the Rules Committee may provide a rule addressing debate time, amendments, motions, etc. regarding consideration of a particular budget resolution or conference report.

If the House and Senate conferees are unable to agree on a budget resolution after 7 days, they must report to their Houses recommending all matters in agreement and reporting all matters in disagreement. Debate on the conference report on the resolution in the House is limited to 5 hours; and again, motions to recommit or to reconsider are not in order.

In addition to the various matters required to be included in the resolution, the Act also provides for important material to be included in the joint statement of managers accompanying the conference report.

The joint statement must make an allocation (commonly known as the section 302(a) allocation of total budget authority and outlays contained in the resolution among the appropriate committees of the House and Senate. For example, if the conference report allocates $7 billion in budget authority and $6 billion in outlays for the functional category "Community and Regional Development," the statement of managers must divide those amounts among the various committees of the House and Senate with jurisdiction over programs and covered by that functional category. Each committee to which an allocation is made must, in turn, further subdivide its allocation (Section 302(b) subdivisions) among its subcommittees or programs, and "as soon as practicable" report such subdivisions to the House.

	Action to be completed
On or before 7th day after Labor Day.	Congress completes action on bills and resolutions providing new budget authority and new spending authority.

The next critical date in the budget process is the 7th day after Labor Day, the deadline for completing action on all regular budget authority and entitlement bills. The only exception to this requirement is for appropriations bills whose consideration has been delayed because necessary authorizing legislation has not been timely enacted.

This deadline is of critical importance for the budget process. While most spending legislation is expected to be acted upon in the month immediately following the adoption of the first resolution on May 15, it is crucial for all spending bills to be completed by the deadline date. The reason is that by the 7th day after Labor Day only 3 weeks will remain until the start of the new fiscal year, and during those weeks Congress must adopt a second budget resolution and undertake and complete a reconciliation process, if necessary.

Thus even a small delay in completing authorizing and spending legislation can upset the timing of remaining budget actions (adoption of the second resolution and completion of the reconciliation process). Congress would then be forced into reliance on "continuing resolutions," a major defect sought to be corrected by the budget process.

On or before:	*Action to be completed*
September 15	Congress completes action on second required concurrent resolution on the budget.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.

September 15 and 25 are, respectively, the dates for adoption of the second resolution and completion of the reconciliation process (discussion following), the final phase of the budget process.

The Act sets no deadline for reporting this second resolution. The date probably will vary from year to year depending on when action is completed on the various spending bills. However, the conferees on the Budget Act legislation anticipated that the Budget Committees might report the resolution during the August recess so that floor consideration after Labor Day might be expedited.

The second resolution affirms or revises, on the basis of new information and data, changed economic circumstances and Congress' spending actions on the matters contained in the first resolution (that is, the "target" levels of budget authority and outlays, total revenues, and the public debt limit).

The Congress may not adjourn *sine die* until it has completed action on the second resolution and the reconciliation process. Furthermore, after adoption of the second resolution and completion of the reconciliation process, it is not in order in either House to consider any new spending legislation that would cause the aggregate levels of total budget authority or outlays adopted in that resolution to be exceeded, nor to consider a measure that would reduce total revenues below the levels in the resolution. Such legislation is subject to a point of order.

Of course, Congress may adopt a revision of its most recent resolution at any time during the fiscal year. In fact, the framers of the Budget Act anticipated that, in addition to the May and September resolutions, Congress may adopt at least one additional resolution each year, either in conjunction with a supplemental appropriations bill or in the event of sharp revisions in revenues or spending estimates brought on by major changes in the economy.

	Action to be completed
On or before Oct. 1	Fiscal year begins.

The completion of reconciliation actions brings the budget timetable to a close, 5 days before the start of the fiscal year on October 1.

THE RECONCILIATION PROCESS (LEGISLATIVE SAVINGS AND REVENUE REFORM—SECTION 310)

Section 310 of the Act provides for the reporting of a reconciliation bill or resolution when called for in a budget resolution.

In general, reconciliation language directs one or more committees of the Congress to submit legislation increasing or decreasing revenues, spending or the limit on the public debt. The purpose of the reconciliation process is to require committees to implement the spending and tax policy decisions agreed to in the budget resolution. If the reconciliation directive involves more than one committee in each House, then all committees affected by the directive are to submit their recommendations to the Budget Committee which will assemble, without substantive revision, all the recommendations into one package for action by the House or Senate.

Reconciliation language in a budget resolution deals only with total spending (including entitlement programs) and/or revenues and not with specific program reductions or specific tax measures. Of course, language in the committee report may amplify the committee's intent with respect to programs and functions affected by the reconciliation process.

In the 96th Congress, Second Session, Congress undertook, for the first time, significant congressional action in the area of reconciliation.

At that time, reconciliation stemmed from the First Concurrent Resolution on the Budget for Fiscal Year 1981 in which Congress directed its spending and tax-writing committees to examine laws within their jurisdiction and to recommend legislative changes which would result in substantial savings in fiscal year 1981. Committees were provided with targets which totaled $4.95 billion savings in budget authority, $6.4 billion savings in outlays, and $4.2 billion in additional revenues. As estimated, reconciliation achieved savings of approximately $3.1 billion in budget authority, $4.7 billion in outlays, and $3.6 billion in additional revenues. (Some savings directed by the reconciliation process were enacted by other laws.)

On December 5, 1980, President Carter signed into law the Omnibus Reconciliation Act of 1980 (Public Law 96-499).

Congress again utilized the reconciliation process set forth in the Budget Act in the First Concurrent Resolution on the Budget for Fiscal Year 1982 and the First Concurrent Resolution on the Budget for Fiscal Year 1983. In both of these fiscal years the process was implemented in a much greater way, both in the amounts reconciled and in the fiscal years covered, than Congress' initial use of the process in fiscal year 1981.

In the First Concurrent Resolution on the Budget for Fiscal Year 1982 (H. Con. Res. 115), House and Senate committees were instructed to reduce spending under their jurisdiction by $35.1 billion in fiscal year 1982, $46.3 billion in fiscal year 1983 and by $55.6 billion in fiscal year 1984. Congress completed action on the Omnibus Budget Reconciliation Act of 1981 on July 31, 1981 and President Reagan signed it into law on August 13, 1981 (Public Law 97-35).

In the First Concurrent Resolution on the Budget for Fiscal Year 1983 (S. Con. Res. 92), Congress instructed its spending and tax writing committees to reduce the deficit by $125.5 billion over fiscal years 1983, 1984, and 1985 through a combination of spending reductions and revenue increases, and to increase revenues by $98.3 billion over the same 3 fiscal years. Again, Congress completed the reconciliation process in a short time and passed the Omnibus Budget Reconciliation Act of 1982 and the Tax Equity and Fiscal Responsibility Act of 1982 on August 18 and 19, 1982, respectively.

President Reagan signed the Omnibus Budget Reconciliation Act of 1982 on September 8, 1982 (Public Law 97-253), and the Tax Equity and Fiscal Responsibility Act of 1982 on September 3, 1982 (P.L. 97-248).

It should be noted that certain provisions of the Budget Act grant Congress flexibility to adjust procedures of the act, such as reconciliation, in ways appropriate to carry out the purposes of the act.

THE PUBLIC DEBT LIMIT

An amendment to the Standing Rules of the House, Public Law 96–78, enacted September 29, 1979, provides that the debt limit for a fiscal year will be the amount specified in the most recently approved conference report to accompany the budget resolution for such fiscal year.

The procedure on the House side, first applied in the First Budget Resolution for Fiscal Year 1981, integrates the public debt limit into the congressional budget process which, by setting the budget totals, will determine what amount of debt may be incurred and the total amount of debt outstanding.

The level approved in the budget resolution then becomes the substance of a joint resolution that is "deemed to be passed" by the House and is sent to the Senate for its approval.

In the Senate, the Senate Finance Committee retains jurisdiction over initiation and consideration of this matter although the budget resolution reported from the Senate Budget Committee would continue to include, as one of the aggregates, the appropriate level of the public debt for a given fiscal year. Accordingly, the Senate Finance Committee and/or the Senate could amend the joint resolution and, therefore, require further action by the House. After final action by the Congress, the joint resolution is forwarded to the President for his signature.

Notwithstanding this relatively new procedure for consideration of the public debt in the House, the Ways and Means Committee still retains general legislative jurisdiction over the debt and can, if the situation warranted it, undertake specific legislative action.

ENROLLMENT OF SPENDING BILLS (SECTION 301(b)(1)) AND MISCELLANEOUS MATTERS (SECTION 301(b)(2))

Section 301(b)(1) of the Act provides as an option that all or certain spending bills, including both appropriation and entitlement bills shall not be enrolled until after the adoption of the second budget resolution (and accompanying reconciliation, if any) for such fiscal year. Bills which were consistent with the first budget resolution allocations were sent to the President for signature immediately.

This procedure was implemented for the first time in the First Budget Resolution for Fiscal Year 1981. It was directed only at bills which exceeded their section 302(b) subdivisions. Its primary purpose was to bring spending measures under effective control of the budget process. Bills which were consistent with the first budget resolution allocations were sent to the President for signature immediately.

Section 301(b)(2) of the Act provides for the inclusion in budget resolutions of any other procedure which is considered appropriate to carry out the purposes of a resolution. Pursuant to this authority, budget resolutions have in the past included various matters such as aggregate and functional targets for direct loan obligations and loan guarantee commitments, outyear aggregate and functional totals, an automatic Second Budget Resolution, and sense of the Congress language pertaining to various studies and budget process issues.

SPECIAL PROCEDURES FOR BACKDOOR SPENDING LEGISLATION (SECTION 401)

In addition to the budget timetable, Section 401 of the Budget Act provides controls over three forms of "backdoor" spending—entitlements, contract authority, and borrowing authority. Under the Budget Act reforms, a bill or resolution containing contract or borrowing authority is subject to a point of order unless it also provides that the authority is effective only to the extent provided in an appropriation act. In effect, the Budget Act closes the door to new contract and borrowing authority outside the appropriations process. It does not apply to contract or borrowing authority in effect prior to January 1976.

With respect to entitlement legislation, the Budget Act provides two major constraints. First, any bill or resolution containing a new entitlement is subject to a point of order (Section 401(b)(1)) unless the entitlement is to take effect on or after the first day of the fiscal year which begins in the calendar year in which the bill or resolution is reported. The point of order lies against the entire bill, not just the provision containing the entitlement. Secondly, any new entitlement which requires new budget authority in excess of the amounts allocated to committees for new entitlements must be referred to the Appropriations Committee for a period not to exceed 15 days (Section 401(b)(2)). The Appropriations Committee may recommend an amendment to the entitlement bill in order to limit the total amount of new spending authority provided.

The backdoor spending restrictions of Section 401 do not apply to social security trust funds, 90 percent self-financed trust funds, certain government corporations, and general revenue sharing legislation (to the extent it is exempted in renewal legislation).

The congressional budget timetable, together with the new controls on backdoor spending, establishes a tightly woven yet flexible set of new budget procedures. Despite the relatively large number of statutory deadlines, the Act does not specify every important date—the reporting of the second resolution, for example. Much is left to be worked out on the basis of experience and the development of practical and flexible procedures.

Yet it was essential, in view of the drafters of the Act, to set firm dates for key elements of the process. Certain parts of the budget process cannot move ahead unless other actions are completed. For example, appropriations cannot be considered until the first budget resolution is adopted and necessary authorizations have been enacted. Thus, failure to complete a particular action on schedule affects later actions as well. In short, the four main phases of the budget process (authorizations, budget resolutions, spending measures, and reconciliations) must be completed by the dates assigned to them in the Act.

Budget Information, Program Evaluation, and Effective Dates

Titles V through IX of the Act provide for a change in the fiscal year; make various improvements in budget terminology and matters to be included in the President's budget; provide for improved program review and evaluation procedures; and specify the effective dates for various provisions of the Act.

A New Fiscal Year

Title V of the Budget Act shifted the fiscal year from the July 1-June 30 to October 1-September 30. The 3-month transitional period was accommodated between the Second Budget Resolution for Fiscal Year 1976 and the First Budget Resolution for Fiscal Year 1977.

The President's Budget

Title VI of the Act requires additional information to be contained in the President's budget:

(1) the same matters required to be included in concurrent resolutions on the budget;

(2) variances during the past fiscal year between actual and estimated revenues and between actual and estimated uncontrollable outlays:

(3) cost information with respect to any program for which advance appropriations are proposed;

(4) a presentation in terms of national needs, agency missions, and basic programs; and

(5) a 5-year projection of various budget matters.

The President's budget is to be updated twice annually—on April 10 and July 15[7]—and accompanied by a statement of all amendments or revisions proposed after submission of the initial budget.

In addition, the Act requires the Executive to submit no later than May 15 of the previous calendar year requests for authorizing legislation for the fiscal year following the immediately ensuing fiscal year. For example, authorizing legislation for programs to begin in fiscal year 1983 (October 1, 1982) must be submitted to the Congress no later than May 15, 1981. Title VI also provides for submission of the current services budget, the purpose and content of which was described in the context of the congressional budget timetable.

Program Review and Evaluation

Title VII of the Act authorizes House and Senate committees to conduct program testing or analytic activities or to require agencies to evaluate programs and report the results to them. It also expands the program review and evaluation authority of the General Accounting Office to enable it to provide additional assistance to the Congress. The results of improved program review and evaluation efforts will assure more informed congressional budget decisions.

Studies

Several provisions of the Act direct the undertaking of important studies of various aspects of the budget process:

(1) the Budget Committees are directed to study additional budget reform proposals, improved information for program analysis and systematic evaluation, time limits on program authorizations, and techniques of human resource accounting;

(2) the Budget Committees are to make continuing studies of off-budget agencies;

(3) the Congressional Budget Office and the Office of Management and Budget are to jointly study, but separately report on, the feasibility and desirability of using advance appropriations for all or portions of the budget[8]; and

(4) the Appropriations Committees are to make continuing studies of contract, borrowing, and entitlement authority enacted prior to January 1976, as well as studies of permanent budget authority (which becomes available annually without current

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[7] The President's budget updates have generally been submitted earlier in order to accommodate markup of budget resolutions.

[8] Study completed and filed March 1977.

action by the Congress), and to report periodically with recommendations to terminate or modify such authorities.

Standard Budget Terminology (*See Attachment D*)

Title VIII directs GAO, in conjunction with the CBO, Treasury, and the Office of Management and Budget, to develop standard budget terminology, definitions, classifications, and codes for use by Federal agencies supplying budget information to the Congress. These were submitted in November 1975. In addition, changes in functional classifications may be made only in consultation with the House and Senate Budget and Appropriations Committees.

IMPOUNDMENT CONTROL

Title X, dealing with impoundment control, is a critical part of budget reform, a companion feature of the new budget control system. In the words of the House Rules Committee report on the budget reform legislation:

"One without the other would leave the Congress in a weak and ineffective position. No matter how prudently Congress discharges its appropriations responsibility, legislative decisions have no meaning if they can be unilaterally abrogated by executive impoundments. On the other hand, if Congress appropriates funds without full awareness of the country's fiscal condition, its actions may be used by the President to justify the improper withholding of funds. By joining budget and impoundment control in a complete overhaul of the budget process the bill seeks to assure that the power of appropriation assigned to the Congress is responsibly and effectively exercised."

The title recognizes two types of impoundment actions by the executive branch: rescissions and deferrals.

Recissions must be proposed by the President whenever he determines that (1) all or part of any budget authority will not be needed to carry out the full objectives of a particular program; (2) budget authority should be rescinded for fiscal reasons; or (3) all or part of budget authority provided for only 1 fiscal year is to be reserved from obligation for that year. In such cases, the President is to submit a special message to the Congress requesting rescission of the budget authority, explaining fully the circumstances and reasons for the proposed action. Unless both Houses of the Congress complete action on a rescission bill within 45 days, the budget authority must be made available for obligation.

Deferrals must be proposed by the President whenever any Executive action or inaction effectively precludes the obligation or expenditure of budget authority. In such cases, the President is to submit a special message to the Congress recommending the deferral of that budget authority. The President is required to make such budget authority available for obligation if either House passes an "impoundment resolution" disapproving the proposed deferral at any time after receipt of the special message.

A motion to discharge the committee of jurisdiction may be made by any Member who supports a rescission or deferral, if that committee has not reported an appropriate rescission bill or impoundment resolution at the end of 25 days after its introduction. A motion to proceed to the consideration of such legislation may be made as soon as the committee has been discharged.

Rescission and deferral messages are also to be transmitted to the Comptroller General who must review each message and advise the

Congress of the facts surrounding the action and its probable effects. In the case of deferrals, he must state whether the deferral is, in his view, in accordance with existing statutory authority. The Comptroller General is also required to report to the Congress reserve or deferral action which has not been reported by the President; and to report and reclassify any incorrect transmittals by the President. Such reports by the Comptroller General have the same legal effect as rescission or deferral messages from the President.

If budget authority is not made available for obligation by the President as required by the impoundment control provisions, the Comptroller General is authorized to initiate a civil action to bring about compliance. However, such action may not be brought until 25 days after the Comptroller General files an explanatory statement with the House and Senate.

The President is also required to submit monthly cumulative reports of proposed rescissions, reservations, and deferrals. These reports, to be published in the *Federal Register*, are to explain fully the factors that prompted the various impoundment actions.

ECONOMICS AND THE BUDGET PROCESS

In formulating its budget recommendations for a fiscal year, the Committee must consider the state of the economy. This is so for two principal reasons.

- *First*, differences in economic conditions can cause revenues and spending to vary by tens of billions of dollars. For example, slower economic growth reduces taxable incomes and therefore budget revenues, while the associated higher unemployment increases spending for unemployment compensation and other income sensitive programs. Higher inflation increases revenues but also raises spending costs in programs explicitly or implicitly indexed to the price level. Higher interest rates raise the cost of servicing the public debt, and therefore interest outlays in the budget.
- *Second*, the budget has profound effects upon the economy. For example, large budget deficits accommodated by monetary policy tend to increase total demand in the economy; when private sector demands are strong this can lead to inflation. Large deficits may, in any case, keep interest rates high if Government financing requirements compete with credit needs of the private sector. On the other hand, excessive fiscal restraint when the economy is weak may contribute to that weakness and impede economic recovery.

Because budget revenues and spending depend so importantly upon economic conditions, the Committee requires a specific economic forecast for the budget year and economic projections for future years as the basis for its budget recommendations. The economic forecast and projections require, first of all, an assessment of current conditions in the economy and a projection of likely future conditions under current economic policy. After making such an assessment, the Committee must consider the likely economic effects of any policy changes which it may propose.

The assessment of current economic conditions is based upon the appraisal of many economic statistics and expert testimony from economic forecasters in the administration and the Congressional Budget Office and from independent experts. In deciding upon appropriate fiscal policy, the Committee considers proposals from the administration and from the Joint Economic Committee as provided in the Budget Act, recommendations of other committees and Members of Congress, and proposals made in testimony from private groups and individuals. In evaluating these proposals the Committee must decide whether the likely economic path resulting from current economic policy is satisfactory, and, if not, whether it can be modified by different economic policies. The Committee must then decide which of many competing proposals it should incorporate into its own policy recommendations, and what the effects of these proposals will be upon the Committee's economic projections.

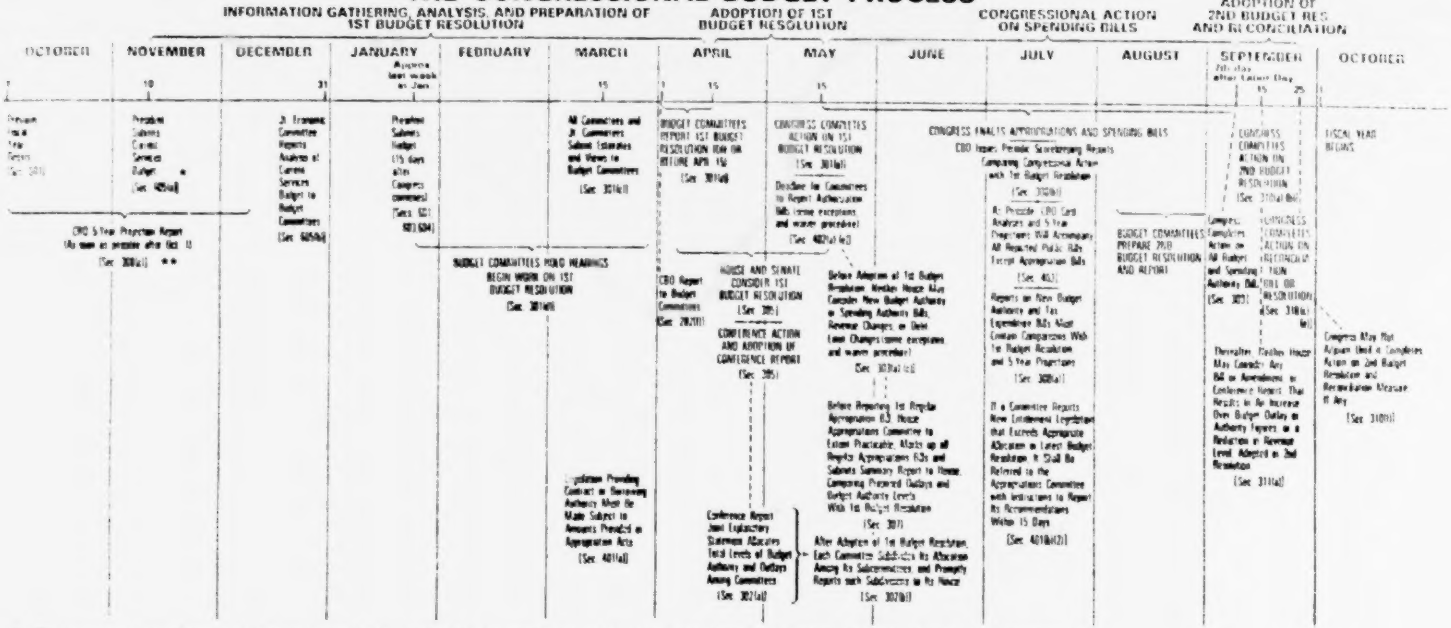
There are a number of major considerations which the Committee must take into account in arriving at a set of final economic projections:

- *Consistency.* The economic projections on which the budget recommendations are based must be internally consistent. Thus, it would be unrealistic for the Committee to project rapidly accelerating economic growth simultaneously with rapidly decelerating inflation over several years, or rapidly declining unemployment together with only moderate economic growth.
- *Structural Characteristics of the Budget.* In formulating fiscal policy it is necessary for the Committee to distinguish between temporary or *cyclical* characteristics of the budget caused by fluctuation in economic activity and more permanent or *structural* characterisitcs which reflect budgetary policy. Deficits resulting from a recession have a different economic significance than deficits resulting from, for example, increases in defense spending, expansion of entitlement payments, or a permanent loss of revenues resulting from tax reductions. Similarly, an unusually small deficit or budget surplus resulting from an inflationary economic boom would not reflect the structural budget position.
- *Relationship Between Fiscal Policy and Monetary Policy.* While the fiscal policy contained in the Federal Budget has major effects on the economy, the budget is by no means the only instrument of macroeconomic policy. In particular, monetary policy has profound effects upon the economy, and, for this reason, monetary and fiscal policy should be coordinated so that they are working toward the same goals. For instance, it would not normally be appropriate for fiscal policy to be extremely stimulative through large structural budget deficits, and at the same time for monetary policy to be extremely restrictive by maintaining very slow growth in the money supply, with consequently high interest rates. In order to better coordinate fiscal and monetary policy, the Budget Committee has generally reported to the Congress on fiscal and monetary policy coordination in its reports on the Budget Resolutions, and has sometimes included in the budget

resolution recommendations on monetary policy which, in the Committee's view, would best serve to advance the coordination between fiscal and monetary policy and the attainment of Congressional economic goals assumed in the resolution.

HOUSE COMMITTEE ON THE BUDGET

THE CONGRESSIONAL BUDGET PROCESS


INFORMATION GATHERING, ANALYSIS, AND PREPARATION OF 1ST BUDGET RESOLUTION
ADOPTION OF 1ST BUDGET RESOLUTION
CONGRESSIONAL ACTION ON SPENDING BILLS
ADOPTION OF 2ND BUDGET RES AND RECONCILIATION
OCTOBER
NOVEMBER
DECEMBER
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
1
10
31
Approx last week in Jan
15
1
15
15
7th day after Labor Day
15
25
Previous Fiscal Year Begins [Sec. 501]
President Submits Current Services Budget * [Sec. 605(a)]
Jt. Economic Committee Reports Analysis of Current Services Budget to Budget Committees [Sec. 605(b)]
President Submits Budget (15 days after Congress convenes) [Secs. 601, 603,604]
All Committees and Jt. Committees Submit Estimates and Views to Budget Committees [Sec. 301(c)]
BUDGET COMMITTEES REPORT 1ST BUDGET RESOLUTION ON OR BEFORE APR. 15 [Sec. 301(a)]
CONGRESS COMPLETES ACTION ON 1ST BUDGET RESOLUTION [Sec. 301(a)]
Deadline for Committees to Report Authorization Bills (some exceptions and waiver procedure) [Sec. 402(a) (c)]
CBO 5-Year Projection Report (As soon as possible after Oct. 1) [Sec. 308(c)] **
BUDGET COMMITTEES HOLD HEARINGS BEGIN WORK ON 1ST BUDGET RESOLUTION [Sec. 301(d)]
CBO Report to Budget Committees [Sec. 202(f)]
HOUSE AND SENATE CONSIDER 1ST BUDGET RESOLUTION [Sec. 305]
CONFERENCE ACTION AND ADOPTION OF CONFERENCE REPORT [Sec. 305]
Before Adoption of 1st Budget Resolution, Neither House May Consider New Budget Authority or Spending Authority Bills, Revenue Changes, or Debt Limit Changes (some exceptions and waiver procedure) [Sec. 303(a) (c)]
Before Reporting 1st Regular Appropriation Bill, House Appropriations Committee to Extent Practicable, Marks up all Regular Appropriations Bills and Submits Summary Report to House, Comparing Proposed Outlays and Budget Authority Levels With 1st Budget Resolution [Sec. 307]
Legislation Providing Contract or Borrowing Authority Must Be Made Subject to Amounts Provided in Appropriation Acts [Sec. 401(a)]
Conference Report Joint Explanatory Statement Allocates Total Levels of Budget Authority and Outlays Among Committees [Sec. 302(a)]
After Adoption of 1st Budget Resolution, Each Committee Subdivides Its Allocation Among Its Subcommittees and Promptly Reports such Subdivisions to Its House [Sec. 302(b)]
CONGRESS FINALIZES APPROPRIATIONS AND SPENDING BILLS
CBO Issues Periodic Scorekeeping Reports Comparing Congressional Action with 1st Budget Resolution [Sec. 308(b)]
As Possible, CBO Cost Analyses and 5 Year Projections Will Accompany All Reported Public Bills Except Appropriation Bills [Sec. 403]
Reports on New Budget Authority and Tax Expenditure Bills Must Contain Comparisons With 1st Budget Resolution and 5 Year Projections [Sec. 308(a)]
If a Committee Reports New Entitlement Legislation that Exceeds Appropriate Allocation in Latest Budget Resolution, It Shall Be Referred to the Appropriations Committee with Instructions to Report Its Recommendations Within 15 Days [Sec. 401(b)(2)]
BUDGET COMMITTEES PREPARE 2ND BUDGET RESOLUTION AND REPORT
CONGRESS COMPLETES ACTION ON 2ND BUDGET RESOLUTION [Sec. 310(a) (b)]
Congress Completes Action on All Budget and Spending Authority Bills [Sec. 309]
CONGRESS COMPLETES ACTION ON RECONCILIATION BILL OR RESOLUTION [Sec. 310(c) (e)]
Thereafter, Neither House May Consider Any Bill or Amendment or Conference Report That Results in An Increase Over Budget Outlay or Authority Figures, or a Reduction in Revenue Level Adopted in 2nd Resolution [Sec. 311(a)]
FISCAL YEAR BEGINS
Congress May Not Adjourn Until it Completes Action on 2nd Budget Resolution and Reconciliation Measure if Any [Sec. 310(f)]

* The current services estimates have been included in practice with the President's January budget submission because the President's economic forecast is not available in November thus making submission in November of little use.

** These reports have generally been submitted earlier in order to accommodate the markup of the budget resolution.

ATTACHMENT "B"

FUNCTIONAL CLASSIFICATION CODES AND PROGRAM CATEGORIES

Function 050: National Defense

051: Department of Defense—Military
053: Atomic Energy Defense Activities
054: Defense-Related Activities

Description of function:

Funds in this function are provided to develop, maintain, and equip the military forces of the United States, and to finance defense-related activities of the Department of Energy. Major areas of funding include pay and benefits to active military and civilian personnel; military retired pay; research, development and procurement of weapons systems and supporting equipment; military construction including family housing; and operations and maintenance of the defense establishment. Funding is also provided for the development and procurement of nuclear weapons and naval reactors.

Major Federal programs in this function:

Department of Defense—Military
Atomic Energy Defense Activities
Defense-Related Activities

Major Federal departments and agencies in this function:

Department of Defense
Department of Energy
(Nuclear Weapons and Naval Reactors)

Function 150: International Affairs

151: Foreign Economic and Financial Assistance
152: Military Assistance
153: Conduct of Foreign Affairs
154: Foreign Information and Exchange Activities
155: International Financial Programs

Description of function:

Funds in this function are provided to finance the foreign affairs establishment, including embassies and other diplomatic missions abroad; sale of U.S. commodities under the Food for Peace programs; foreign aid loan and technical assistance activities in the less developed countries; security supporting assistance, military assistance to foreign governments; foreign military sales made through the trust fund, U.S. contributions to the international financial institutions, and Export-Import Bank activities.

Major Federal programs in this function:

Foreign Affairs
Foreign Aid
Food for Peace
Security Assistance
Foreign Military Sales
Export Promotion
U.S. Contributions to International Financial Institutions

Major Federal departments and agencies in this function:

Department of State
Department of Defense
Department of Treasury
Department of Agriculture
Agency for International Development
International Communication Agency
Export-Import Bank

Function 250: General Science, Space and Technology

251: General Science and Basic Research
253: Space Flight
254: Space Science, Applications and Technology
255: Supporting Space Activities

Description of function:

This function includes space research and technology, general science, and basic research not specifically covered by other functional areas, and represents nearly 20 percent of the total Federal research and development outlays. The budgets for the National Science Foundation (NSF), certain research programs of the Department of Energy (DOE), a small Smithsonian Institution program, and the National Aeronautics and Space Administration (NASA) program (except for aeronautical programs) are within this category.

Major Federal programs in this function:

General Science and Basic Research (not primarily associated with other functions)
Space Research, Technology and Applications

Major Federal departments and agencies in this function:

Department of Energy
National Science Foundation
National Aeronautics and Space Administration

Function 270: Energy

271: Energy Supply
272: Energy Conservation
274: Emergency Energy Preparedness
276: Energy Information, Policy and Regulation

Description of function:

This function represents a consolidation of nearly all Federal energy and energy-related programs. Outlays in recent years have risen substantially reflecting the national goal of increasing energy security.

Major Federal programs in this function:

Energy Supply
Energy Research, Development and Demonstration
Energy Conservation
Strategic Petroleum Reserve
Nuclear Regulation
TVA Power Program

Major Federal departments and agencies in this function:

Department of Energy
Nuclear Regulatory Commission
Tennessee Valley Authority

Function 300: Natural Resources and Environment

301: Water Resources
302: Conservation and Land Management
303: Recreational Resources
304: Pollution Control and Abatement
306: Other Natural Resources

Description of function:

Programs in this function are primarily designed to develop, manage, and maintain the Nation's natural resources and environment. Over the last 5 years, outlays in this function have risen significantly, reflecting substantial spending for activities related to the national goal of enhancing the environment.

Major Federal programs in this function:

Natural Resources Management, Development and Conservation
Water Resources Programs
Management and Acquisition of Natural Parks
Sewage Treatment Plant Construction Grant Program
Implementation of National Environment Program
Development, Regulation, and Conservation of Minerals
Management and Preservation of the Public Lands

Major Federal departments and agencies in this function:

Department of the Interior
Department of Agriculture
Department of Commerce
Army Corps of Engineers
Environmental Protection Agency

Function 350: Agriculture

351: Farm Income Stabilization
352: Agriculture Research and Services

Description of function:

Programs in this function are designed to assist food purchasers, provide market information and services, and support food research. Food producers are assisted through deficiency payments, disaster payments, product purchases, insurance, nonresource loans, and regular loans. Market information and services include Department of Agriculture administration, animal disease prevention, distribution of market information, and numerous regulatory activities. Research provides for direct support of Federal biological research facilities, grants for State-supported facilities, and economic analysis.

Major Federal programs in this function:

Price Support and Related Programs (Commodity Credit Corporation)
Federal Crop Insurance
FMHA Farm Loans
Research Programs
Extension Programs
Consumer Protection, Marketing and Regulatory Programs
Economic Intelligence

Major Federal departments and agencies in this function:

Department of Agriculture

Function 370: Commerce and Housing Credit

371: Mortgage Credit and Thrift Insurance
372: Postal Service
376: Other Advancement and Regulation of Commerce

Description of function:

This function, which is highly volatile from year to year because of changing economic conditions, provides for assistance through the Government's mortgage credit programs and other activities related to commerce and finance.

Major Federal programs in this function:

Mortgage Insurance Programs
Secondary-Market Support for Insured and Subsidized Mortgages
Rural Housing Programs
Payments to the Postal Service
Small Business Loan and Guarantee Assistance
Thrift and Deposit Insurance
Regulatory Agencies

Major Federal departments and agencies in this function:

Department of Housing and Urban Development: FHA and GNMA
Department of Agriculture: FMHA
Department of Commerce
Postal Service
Small Business Administration
Regulatory Commissions
Federal Deposit Insurance Corporation
Federal Home Loan Bank Board

Function 400: Transportation

401: Ground Transportation
402: Air Transportation
403: Water Transportation
407: Other Transportation

Description of function:

This function provides assistance for transportation activities including ground (highway, railroads, and mass transportation), air and water transportation programs. The transportation activities include major grant-in-aid programs to support State and local activities.

Major Federal programs in this function:

Highway Construction and Safety
Mass Transit
Railroad Assistance
Airways and Airports
Maritime Subsidies
Coast Guard

Major Federal departments and agencies in this function:

Department of Transportation
Department of Commerce
NASA: Aeronautical Research
Interstate Commerce Commission
Civil Aeronautics Board

Function 450: Community and Regional Development

451: Community Development
452: Area and Regional Development
453: Disaster Relief and Insurance

Description of function:

During the past 5 years, the function has ranged between 1 percent and 2 percent of the Federal budget. Community development block grants account for more than half of the outlays in this function. The balance is made up of a wide variety of urban and rural development grant programs.

Major Federal programs in this function:

Community Development Block Grants
Urban Development Action Grants
Rehabilitation Loans
Rural Development and Business Assistance
Economic Development Assistance
Local Public Works
Appalachian and Other Regional Programs
Indian Programs
Disaster Relief
Flood Insurance

Major Federal departments and agencies in this function:

Department of Housing and Urban Development
Department of Agriculture: Farmers Home Loan Administration
Department of Commerce: Economic Development Administration
Department of Interior: Bureau of Indian Affairs
Small Business Administration

Function 500: Education, Training, Employment and Social Services

501: Elementary, Secondary, and Vocational Education
502: Higher Education
503: Research and General Education Aids
504: Training and Employment Services
505: Other Labor Services
506: Social Services

Description of function:

This function includes programs designed to promote the general extension of knowledge and skills and to assist individuals to become self-supporting members of society: child development, elementary, secondary, vocational, and higher education programs; employment and training and public service employment programs; and grants to States for general social services and rehabilitation services. Funds in this function may be made available as income support directly related to training or education; cash payments (scholarships, loans or stipends) to persons to enable them to participate in education or training programs; grants to States, local governments, Indian tribes, or public and private institutions to operate local educational, employment, training, or social service programs; and direct research and departmental management expenditures.

Major Federal programs in this function:

Financial Assistance for Elementary and Secondary Education (ESEA)
Occupational, Vocational and Adult Education
Higher Education Student Assistance
Higher and Continuing Education
Comprehensive Employment and Training Act (CETA) Program
Grants to States for Social and Child Welfare Services
Human Development Services

Major Federal departments and agencies in this function:

Department of Education
Department of Health and Human Services
Department of Labor
Department of Interior
Community Services Administration, ACTION, and Various Other Independent Agencies

Function 550: Health

551: Health Care Services
552: Health Research
553: Education and Training of Health Care Work Force
554: Consumer and Occupational Health and Safety

Description of function:

The major purpose of programs in this function is to promote the physical and mental health of the population. Programs include financing of medical care for aged, poor, and disabled persons;

provision of health care for certain population groups such as American Indians and merchant seamen; and grants to States, localities, and community groups to support health services programs. The function also includes research into the causes and cure of disease; promotion of consumer and occupational health and safety; training support for health workers and researchers; construction of health training and health care facilities; and food, drug, and other product safety and inspection programs.

Major Federal programs in this function:

Health Insurance for the Aged and Disabled (Medicare)
Grants to States for Medical Assistance Programs (Medicaid)
National Institutes of Health
Alcoholism, Drug Abuse and Mental Health Research, Training and Services
Health Resources Development
Health Services to Designated Population Groups
Disease Prevention and Control

Major Federal departments and agencies in this function:

Department of Health and Human Services
Department of Labor
Office of Personnel Management
Department of Agriculture: Food Safety and Quality Service

Function 600: Income Security

601: General Retirement and Disability Insurance
602: Federal Employee Retirement and Disability
603: Unemployment Compensation
604: Housing Assistance
605: Food and Nutrition Assistance
609: Other Income Security

Description of function:

Programs in this function provide cash and in-kind benefits to people who need permanent or temporary income assistance. Over half of the estimated outlays will go to retirees through such programs as social security, Federal civilian retirement, and Railroad Retirement. In-kind assistance benefits include food stamps and other food programs, as well as subsidized housing. Cash assistance benefits include Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and special benefits for disabled coal miners. Cash benefits for the disabled are provided through special programs, the largest of which is the disability component of social security. Finally, unemployment benefits for workers temporarily out of work are included in this function.

Major Federal programs in this function:

Old-Age, Survivors and Disability Insurance
Railroad Retirement
Special Benefits for Disabled Coal Miners
Federal Employment Retirement and Disability
Unemployment Compensation
Supplemental Security Income (SSI)

Grants to States for Maintenance Payments (Primarily AFDC)
Housing Assistance
Food Stamps
Child Nutrition

Major Federal departments and agencies in this function:

Office of Personnel Management
Department of Agriculture: Food and Nutrition Service
Department of Health and Human Services
Department of Housing and Urban Development
Department of Labor
Railroad Retirement Board
Department of State

Function 700: Veterans Benefits and Services

701: Income Security for Veterans
702: Veterans Education, Training, and Rehabilitation
703: Hospital and Medical Care for Veterans
705: Other Veterans Benefits and Services

Description of function:

Most programs in this function are administered by the Veterans Administration in support of former members of the armed services and their survivors and dependents. Over half of the outlays in this function are for Income Security programs: compensation, pensions, and life insurance. Nearly one-third of the outlays are targeted at hospital and medical care for veterans, and about one-tenth comprise the remainder. Nearly the entire function requires current action by Congress, yet the bulk of these outlays are virtually uncontrollable because of the entitlement nature of the major programs.

Major Federal programs in this function:

Veterans Disability Compensation
Veterans Pensions
Veterans Education and Training (GI bill)
Veterans Hospital and Medical Care
Veterans Guaranteed Housing Loans
Veterans Life Insurance

Major Federal departments and agencies in this function:

Veterans Administration

Function 750: Administration of Justice

751: Federal Law Enforcement Activities
752: Federal Litigative and Judicial Activities
753: Federal Correctional Activities
754: Criminal Justice Assistance

Description of function:

The largest law enforcement programs are for the operations of the Federal Bureau of Investigation, Customs Service, Immigration and Naturalization Service which together constitute over 25 percent of total outlays in this function. Approximately 30 percent of total outlays is accounted for by Federal litigative and judicial activities. Approximately 25 percent of outlays is accounted for by criminal justice assistance and correctional activities.

Major Federal programs in this function:

Federal Bureau of Investigation
Drug Enforcement
Immigration and Naturalization
Legal Services
Customs
Prisons
Courts
Law Enforcement Assistance
Juvenile Delinquency Prevention

Major Federal departments and agencies in this function:

Department of Justice
Department of Treasury
Civil Rights Commission
Legal Services Corporation

Function 800: General Government

801: Legislative Functions
802: Executive Direction and Management
803: Central Fiscal Operations
804: General Property and Records Management
805: Central Personnel Management
806: Other General Government

Description of function:

This function covers the general overhead costs of the Federal Government. By far the largest proportion of new budget authority and outlays are attributable to operations of the Treasury Department (including the Internal Revenue Service). The balance is distributed among a large number of relatively small accounts. The legislative branch typically accounts for about one-fifth of the net total.

Major Federal programs in this function:

Legislative Branch Activities
Federal Buildings Fund
Income-Tax Administration

Major Federal departments and agencies in this function:

Congress and its Agencies
Executive Office of the President
Department of Treasury
General Services Administration
Office of Personnel Management
Department of the Interior, Office of Territories

Function 850: General Purpose Fiscal Assistance

851: General Revenue Sharing
852: Other General Purpose Fiscal Assistance

Description of function:

The General Revenue Sharing program accounts for nearly 90 percent of the function. The balance of the function is comprised of antirecession assistance, payments and loans to the District of Columbia, along with the return of portions of certain taxes and other charges to States and local governments.

Major Federal programs in this function:

General Revenue Sharing
Antirecession Assistance
New York City Seasonal Loan Program
District of Columbia Federal Payment
Payments in Lieu of Taxes

Major Federal departments and agencies in this function:

Department of Treasury
Department of Interior

Function 900: Interest

901: Interest on the Public Debt
902: Other Interest

Description of function;

This function is composed almost exclusively of interest on the public debt, to which are added minor accounts of interest paid by the Federal Government (interest on income tax refunds, for example) and from which are deducted offsetting receipts, such as interest paid by the Federal Financing Bank on its Treasury borrowings. The Treasury Department accordingly accounts for almost all of the transactions in this function. A substantial share of interest paid out by the Treasury under this function is recovered through trust fund receipts. In fiscal year 1979, for example, approximately 19 percent of gross interest payments were collected by Government trust funds. In addition, approximately 56 percent of interest payments are returned to the Federal budget as revenues through the deposit of excess earnings of the Federal Reserve System.

Major Federal programs in this function;

Interest on the Public Debt
Interest on Income Tax Refunds

Major Federal departments and agencies in this function;

Department of Treasury

Function 920: Allowances

Description of function:

This function includes an amount for the civilian agency pay raises that take effect each October. The function also includes a contingency allowance to cover unspecified requirements that may surface after the budget is submitted.

Major Federal programs in this function:

Civilian Agency Pay Raise
Contingencies for Other Requirements

Function 950: Undistributed Offsetting Receipts

951: Employer Share, Employee Retirement
952: Interest Received by Trust Funds
953: Rents and Royalties on the Outer Continental Shelf

Description of function:

Undistributed offsetting receipts involve financial transactions that are deducted from budget authority and outlays of the Government as a whole. The three items in this function are the employer share of employee retirement programs, composed of payments by Federal agencies to employee retirement funds; receipts from rents and royalties from oil leases on the Outer Continental Shelf; and deductions from interest received by certain trust funds.

ATTACHMENT "C"

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1983

JUNE 21, 1982.—Ordered to be printed

Mr. JONES of Oklahoma, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. Con. Res. 92]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982, having met, after full and free conference, have been unable to agree on a conference report because the conference decisions have changed certain budget figures outside the scope of conference. As set forth in the accompanying Joint Explanatory Statement, the conferees do propose a congressional budget incorporated in a further amendment for the consideration of the two Houses.

JIM JONES,
BILL NELSON,
LES ASPIN,
W. G. BILL HEFNER,
DELBERT L. LATTA,
RALPH REGULA,
BILL FRENZEL,
ED BETHUNE,
LYNN MARTIN,
BOBBI FIEDLER,
Managers on the part of the House.

Pete Domenici,
W. L. Armstrong,
Nancy Landon Kassebaum,
Rudy Boschwitz,
Orrin G. Hatch,
John Tower,
Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982 report that the conferees have been unable to agree. This is a technical disagreement, necessitated by the fact that in some instances the conference decisions include figures which (for purely technical reasons) would fall outside the range between the corresponding House and Senate provisions.

It is the intention of the conferees that the managers on the part of the Senate will offer a motion in the Senate to recede and concur in the House amendment to the Senate-passed resolution with an amendment (in the nature of a substitute) consisting of the language agreed to in conference. Upon the adoption of such amendment in the Senate, the managers on the part of the House will offer a motion in the House to concur therein.

The managers on the part of the House and the Senate submit the following joint statement in explanation of the action agreed upon by the managers:

The substitute language which is to be offered as described above (and which should be considered the language of the concurrent resolution as recommended in the conference report for purposes of section 302(a) of the Congressional Budget Act of 1974)—hereinafter in this statement referred to as the "conference substitute"—is as follows:

That the Congress hereby determines and declares that the Second Concurrent Resolution on the Budget for Fiscal Year 1982 is hereby revised, the First Concurrent Resolution on the Budget for Fiscal Year 1983 is hereby established, and the appropriate budgetary levels for Fiscal Years 1984 and 1985 are hereby set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $628,400,000,000.
Fiscal year 1983: $665,900,000,000.
Fiscal year 1984: $738,000,000,000.
Fiscal year 1985: $821,400,000,000.

and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1982: −$200,000,000.
Fiscal year 1983: +$20,900,000,000.

Fiscal year 1984: +$36,000,000,000.
Fiscal year 1985: +$41,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,672,000,000.
Fiscal year 1983: $822,390,000,000.
Fiscal year 1984: $878,473,000,000.
Fiscal year 1985: $960,611,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $734,100,000,000.
Fiscal year 1983: $769,818,000,000.
Fiscal year 1984: $821,928,000,000.
Fiscal year 1985: $881,356,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $105,700,000,000.
Fiscal year 1983: $103,918,000,000.
Fiscal year 1984: $83,928,000,000.
Fiscal year 1985: $59,956,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,143,100,000,000.
Fiscal year 1983: $1,290,200,000,000.
Fiscal year 1984: $1,420,219,000,000.
Fiscal year 1985: $1,533,491,000,000.

and the amounts by which the current temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $63,300,000,000.
Fiscal year 1983: $147,100,000,000.
Fiscal year 1984: $130,019,000,000.
Fiscal year 1985: $113,272,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:

(A) New direct loan obligations, $63,600,000,000.

(B) New primary loan guarantee commitments, $74,900,000,000.

(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:

(A) New direct loan obligations, $59,700,000,000.

(B) New primary loan guarantee commitments, $101,900,000,000.

(B) New secondary loan guarantee commitments, $68,300,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $218,200,000,000.
(B) Outlays, $187,550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitment, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $253,566,000,000.
(B) Outlays, $213,966,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $279,483,000,000.
(B) Outlays, $243,283,000,000.
Fiscal year 1985:
(A) New budget authority, $323,650,000,000.
(B) Outlays, $279,000,000,000.
(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,750,000,000.
(B) Outlays, $11,400,000,000.
(C) New direct loan obligations, $10,400,000,000.
(D) New primary loan guarantee commitments, $8,100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $11,500,000,000.
(C) New direct loan obligations, $10,200,000,000.
(D) New primary loan guarantee commitments, $9,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $16,400,000,000.
(B) Outlays, $11,900,000,000.
Fiscal year 1985:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $11,800,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $7,600,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $7,800,000,000.
Fiscal year 1985:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $7,400,000,000.
(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $10,300,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $4,500,000,000.
(C) New direct loan obligations, $12,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $3,950,000,000
(B) Outlays, $3,300,000,000.
Fiscal year 1985:
(A) New budget authority, $3,800,000,000.
(B) Outlays, $3,000,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $12,800,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $9,500,000,000.
(B) Outlays, $10,950,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
fiscal year 1984:
(A) New budget authority, $8,700,000,000.
(B) Outlays, $9,800,000,000.
Fiscal year 1985:
(a) New budget authority, $8,300,000,000.
(B) Outlays, $8,700,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $22,600,000,000.
(D) New primary loan guarantee commitments, $2,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:
(A) New budget authority, $6,692,000,000.
(B) Outlays, $9,042,000,000.
(C) New direct loan obligations, $18,100,000,000.
(D) New primary loan guarantee commitments, $2,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $7,600,000,000.
Fiscal year 1985:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $7,110,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $9,480,000,000.
(B) Outlays, $3,750,000,000.
(C) New direct loan obligations, $12,050,000,000.
(D) New primary loan guarantee commitments, $26,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1983:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $2,837,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $41,000,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1984:
(A) New budget authority, $7,600,000,000.
(B) Outlays, $2,521,000,000.
Fiscal year 1985:
(A) New budget authority, $7,223,000,000.
(B) Outlays, $1,880,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $21,300,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $750,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.
Fiscal Year 1983:
(A) New budget authority, $21,450,000,000.
(B) Outlays, $19,900,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $800,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.

Fiscal Year 1984:
(A) New budget authority, $21,700,000,000.
(B) Outlays, $19,700,000,000.
Fiscal Year 1985:
(A) New budget authority, $22,050,000,000.
(B) Outlays, $19,600,000,000.
(9) Community and Regional Development (450):
Fiscal Year 1982:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $8,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal Year 1983:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,700,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal Year 1984:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,500,000,000.
Fiscal Year 1985:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,400,000,000.
(10) Education, Training, Employment and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $25,400,000,000.
(B) Outlays, $28,100,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
(E) New secondary loan guarantee commitments, $700,000,000.
Fiscal year 1983:
(A) New budget authority, $26,832,000,000.
(B) Outlays, $26,205,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $7,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $26,700,000,000.
(B) Outlays, $26,900,000,000.
Fiscal year 1985:
(A) New budget authority, $26,214,000,000.
(B) Outlays, $26,161,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $78,500,000,000.
(B) Outlays, $73,700,000,000.
(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $79,569,000,000.

(B) Outlays, $77,816,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $91,725,000,000.

(B) Outlays, $86,249,000,000.

Fiscal year 1985:

(A) New budget authority, $103,229,000,000.

(B) Outlays, $98,830,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $256,792,000,000.

(B) Outlays, $250,300,000,000.

(C) New direct loan obligations, $2,800,000,000

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $274,797,000,000.

(B) Outlays, $270,895,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $18,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $291,042,000,000.

(B) Outlays, $287,531,000,000.

Fiscal year 1985:

(A) New budget authority, $322,373,000,000.

(B) Outlays, $308,858,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $23,800,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $11,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $24,560,000,000.

(B) Outlays, $23,823,000,000.

(C) New direct loan obligations, $1,000,000,000.,

(D) New primary loan guarantee commitments, $20,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $25,746,000,000.

(B) Outlays, $25,017,000,000.

Fiscal year 1985:

(A) New budget authority, $26,752,000,000.

(B) Outlays, $26,497,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,540,000,000.

(B) Outlays, $4,650,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,500,000,000.

Fiscal year 1985:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,500,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $4,650,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,450,000,000.

Fiscal year 1985:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $4,300,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000.

(B) Outlays, $6,300,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $200,000,000.

(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,850,000,000.
(B) Outlays, $6,850,000,000.

(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $100,700,000,000.
(B) Outlays, $100,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $113,200,000,000.
(B) Outlays, $113,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $118,000,000,000.
(B) Outlays, $118,000,000,000.
Fiscal year 1985:
(A) New budget authority, $111,500,000,000.
(B) Outlays, $111,500,000,000.

(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $2,850,000,000.
(B) Outlays, $800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, −$3,016,000,000.
(B) Outlays, −$2,816,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$2,383,000,000.
(B) Outlays, −$2,033,000,000.
Fiscal year 1985:
(A) New budget authority, −$2,150,000,000.
(B) Outlays, −$1,750,000,000.

(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, −$31,700,000,000.
(B) Outlays, −$31,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:

(A) New budget authority, –$43,100,000,000.

(B) New Outlays, –$43,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:

(A) New budget authority, –$48,790,000,000.

(B) Outlays, –$48,790,000,000.

Fiscal year 1985:

(A) New budget authority, –$50,280,000,000.

(B) Outlays –$50,280,000,000.

RECONCILIATION

SEC. 2. (a) Not later than July 20, 1982, the Senate committees named in subsection (b) (1) through (7) of this section shall submit their recommendations to the Senate Committee on the Budget and not later than August 1, 1982, the House committees named in subsection (c) (1) through (10) of this section shall submit their recommendations to the House Committee on the Budget. Those recommendations shall be sufficient to accomplish the reductions required by subsections (b) and (c) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b)(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; to reduce budget authority by $693,000,000 and outlays by $693,000,000 in fiscal year 1984; and to reduce budget authority by $1,231,000,000 and outlays by $1,231,000,000 in fiscal year 1985.

(3) The Senate Committee on Banking, Housing and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; to reduce budget authority by $0 and outlays by $697,000,000 in fiscal year 1984; and to reduce budget authority by $0 and outlays by $687,000,000 in fiscal year 1985.

(4) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; to reduce budget authority by $15,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $27,000,000 and outlays by $27,000,000 in fiscal year 1985.

(5) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; to reduce budget authority by $2,000,000 and outlays by $8,000,000 in fiscal year 1984; and to reduce budget authority by $4,000,000 and outlays by $15,000,000 in fiscal year 1985.

(6) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $374,000,000 in fiscal year 1983; to reduce budget authority by $240,000,000 and outlays by $1,053,000,000 in fiscal year 1984; and to reduce budget authority by $534,000,000 and outlays by $1,793,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(c)(1) The Committee on Agriculture shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $213,000,000 and outlays by $213,000,000 in fiscal year 1983; to reduce budget authority by $693,000,000 and outlays by $693,000,000 in fiscal year 1984; and to reduce budget authority by $1,231,000,000 and outlays by $1,231,000,000 in fiscal year 1985.

(3) The House Committee on Banking, Finance, and Urban Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $695,000,000 in fiscal year 1983; to reduce budget authority by $0 and outlays by $697,000,000 in fiscal year 1984; and to reduce budget authority by $0 and outlays by $687,000,000 in fiscal year 1985.

(4) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $675,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $739,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $811,000,000 in fiscal year 1985.

(5) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $2,000,000 in fiscal year 1983; to reduce budget authority by $2,000,000 and outlays by $8,000,000 in fiscal year 1984; and to reduce budget authority by $4,000,000 and outlays by $15,000,000 in fiscal year 1985.

(6) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $4,000,000 and outlays by $4,000,000 in fiscal year 1983; to reduce budget authority by $15,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $27,000,000 and outlays by $27,000,000 in fiscal year 1985.

(7) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $376,000,000 in fiscal year 1983; to reduce budget authority by $242,000,000 and outlays by $1,061,000,000 in fiscal year 1984; and to reduce budget authority by $538,000,000 and outlays by $1,808,000,000 in fiscal year 1985.

(8) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $77,000,000 and outlays by $77,000,000 in fiscal year 1983; to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1984; and to reduce budget authority by $155,000,000 and outlays by $155,000,000 in fiscal year 1985.

(9) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $593,000,000 and outlays by $3,755,000,000 in fiscal year 1983; to reduce budget authority by $705,000,000 and outlays by

$4,827,000,000 in fiscal year 1984; and to reduce budget authority by $928,000,000 and outlays by $5,168,000,000 in fiscal year 1985.

(10)(A) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenue by $20,900,000,000 for fiscal year 1983; further, the Congress finds that the prospect of unacceptably high deficits in future years requires additional revenues of $36,000,000,000 for fiscal year 1984, and $41,400,000,000 for fiscal year 1985.

(B) If the changes in laws reported to the House Committee on the Budget by the House Committee on Ways and Means pursuant to subsection (a) contain changes involving the imposition of new or expanded taxes to directly finance programs within the jurisdiction of any other committee of the House (including, but not limited to, inland waterways or deep draft ports) or the imposition of any new or expanded user fees within the jurisdiction of any other committee of the House, an appropriate referral pursuant to rule X of the rules of the House should be considered.

SENATE FINANCE COMMITTEE

(d)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,106,000,000 and outlays by $4,429,000,000 in fiscal year 1983; to reduce budget authority by $1,444,000,000 and outlays by $5,564,000,000 in fiscal year 1984; and to reduce budget authority by $1,740,000,000 and outlays by $5,976,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $20,900,000,000 in fiscal year 1983; $36,000,000,000 in fiscal year 1984; and $41,400,000,000 in fiscal year 1985.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported to the Senate no later than July 12, 1982.

MISCELLANEOUS PROVISIONS

SEC. 3. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation, loans and loan guarantee programs administered by the Veterans' Administration, or bills or resolutions reported to the House or Senate prior to the adoption of this resolution.

SEC. 4. (a) No bill or resolution providing new budget authority for fiscal year 1983, or new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in fiscal year 1983, which exceeds in either the House of Representatives or *the Senate, the appropriate allocation or subdivision of such new discretionary budget authority, new budget authority, or new spending authority made pursuant to section 302 of such Act shall be enrolled until after the Congress has completed action on the Second Concurrent Resolution on the Budget required to be reported under section 310 of such Act.*

(b) If Congress increases revenues in a trust fund exempt under section 401(d)(1)(B) of the Congressional Budget Act, 90 percent or more of the receipts of which consist of or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954, then for purposes of this section in the House of Representatives, "new discretionary budget authority" and "new spending authority", and for purposes of this section in the Senate, "new budget authority" and "new spending authority" shall not include spending authority or budget authority derived from such trust fund. This subsection shall only apply to trust funds—

(1) exempt under section 401(d)(1)(B) of the Congressional Budget Act,

(2) for which revenues are increased, and

(3) to the extent that such increased revenues exceed the appropriate allocation or subdivision of such new discretionary budget authority, new budget authority, or new spending authority made pursuant to section 302 of such Act.

SEC. 5. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

SEC. 6. It is the sense of the Congress that concurrent resolutions on the budget should reflect the full range of fiscal activities of the Federal Government. It is further the sense of the Congress, therefore, that each concurrent resolution on the budget, beginning with the first concurrent resolution on the budget for fiscal year 1984, shall list, for each functional category, the off-budget activities associated with that category, as well as the new budget authority, outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments associated with that category.

SEC. 7. If Congress has not completed action by October 1, 1982, on the Concurrent Resolution on the Budget required to be reported under section 310(a) of the Budget Act for the 1983 fiscal year, then, for purposes of section 311 of such Act, and section 4 of this resolution, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310(a) of such Act.

SEC. 8. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(1) new budget authority for fiscal year 1983; or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1983;

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

SEC. 9. (a) After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for fiscal year 1983, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing authority for—

(1) new direct loan obligations for fiscal year 1983;

(2) new primary loan guarantee commitments for fiscal year 1983; or

(3) new secondary loan guarantee commitments for fiscal year 1983;

or any conference report on any such bill or resolution, if—

(A) the enactment of such bill or resolution as reported;

(B) the adoption and enactment of such amendment; or

(C) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new direct loan obligations for fiscal year 1983, total new primary loan guarantee commitments for such fiscal year, or total new secondary loan guarantee commitments for such fiscal year set forth in such concurrent resolution on the budget to be exceeded.

(b)(1) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon the first section of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new authority.

(2) As soon as practicable after this resolution is agreed to every committee of each House shall after consulting with the committee or committees of the other House to which all or part of the allocation has been made, subdivide among its subcommittees the allocation of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

(c) This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1982, that are funded through the Commodity Credit Corporation.

SEC. 10. It is the sense of Congress that reductions in Federal employment should be accomplished through attrition.

EXPLANATION OF CONFERENCE SUBSTITUTE

The following table shows the functional allocations and budget aggregates included in the conference substitute. The numbers in the FY 82 column reflect revisions of the second budget resolution for FY 1982. The FY 1983 column shows the budget aggregates and functional allocations for the first budget resolution for FY 1983. The columns for FY 1984 and 1985 show budget aggregates and functional allocations which the conferees consider appropriate for those years.

CONFERENCE SUBSTITUTE, FIRST BUDGET RESOLUTION, FISCAL YEAR 1983

[In millions of dollars]

Function	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050: National Defense	218,200	187,550	253,566	213,966	279,483	243,283	323,650	279,000
150: International Affairs	16,750	11,400	15,900	11,500	16,400	11,900	21,000	11,800
250: General Science, Space, and Technology	7,000	7,000	7,800	7,600	7,700	7,800	7,300	7,400
270: Energy	4,800	6,400	4,800	4,500	3,950	3,300	3,800	3,000
300: Natural Resources and Environment	10,300	12,800	9,500	10,950	8,700	9,800	8,300	8,700
350: Agriculture	9,900	13,800	6,692	9,042	8,300	7,600	6,700	7,110
370: Commerce and Housing Credit	9,480	3,750	7,100	2,837	7,600	2,521	7,223	1,880
400: Transportation	20,800	21,300	21,450	19,900	21,700	19,700	22,050	19,600
450: Community and Regional Development	7,000	8,500	6,900	7,700	6,900	7,500	7,100	7,400
500: Education, Training, Employment, and Social Services	25,400	28,100	26,832	26,205	26,700	26,900	26,214	26,161
550: Health	78,500	73,700	79,569	77,816	91,725	86,249	103,229	98,830
600: Income Security	256,792	250,300	274,797	270,895	291,042	287,531	322,373	308,858
700: Veterans Benefits and Services	24,800	23,800	24,560	23,823	25,746	25,017	26,752	26,497
750: Administration of Justice	4,500	4,600	4,540	4,650	4,500	4,500	4,500	4,500
800: General Government	5,200	5,000	4,800	4,650	4,500	4,450	4,500	4,300
850: General Purpose Fiscal Assistance	6,400	6,300	6,500	6,500	6,700	6,700	6,850	6,850
900: Interest	100,700	100,700	113,200	113,200	118,000	118,000	111,500	111,500
920: Allowances	2,850	800	−3,016	−2,816	−2,383	−2,033	−2,150	−1,750
950: Undistributed Offsetting Receipts	−31,700	−31,700	−43,100	−43,100	−48,790	−48,790	−50,280	−50,280
Total Spending	777,672	734,100	822,390	769,818	878,473	821,928	960,611	881,356
Revenues		628,400		665,900		738,000		821,400
Deficit		105,700		103,918		83,928		59,956
Public Debt		1,143,100		1,290,200		1,420,219		1,533,491
Change in revenues		−200		+20,900		+36,000		+41,400
Change in public debt limit		+63,300		+147,100		+130,019		+113,272

ECONOMIC ASSUMPTIONS

The House and Senate used identical economic assumptions in their Resolutions. These assumptions were agreed upon in the budget discussions carried on by negotiators from the House, Senate and Administration during April. The Conferees accepted these economic assumptions as the basis for the revenue, spending and credit estimates in the conference agreement. The table below shows the levels of Gross National Product, incomes, unemployment, inflation, and interest rates in the economic assumptions.

[Calendar Years: dollar amounts in billions]

	1982	1983	1984	1985
Gross National Product:				
Current dollars	$3,116	$3,493	$3,875	$4,259
Constant (1972) dollars	$1,497	$1,564	$1,629	$1,689
Percent change	−0.9	4.5	4.1	3.7
GNP deflator (percent change, year over year)	7.4	7.3	6.6	6.0
Consumer Price Index (percent change, year over year)	6.9	6.9	6.9	6.4
Unemployment Rate (annual average, percent)	9.1	8.4	7.6	7.2
Taxable incomes:				
Wages and salaries	$1,577	$1,733	$1,904	$2,082
Nonwage personal income	$593	$666	$736	$792
Corporate profits [1]	$206	$248	$303	$324
Interest rate, 3-mo. Treasury bills (percent, annual average)	12.0	10.7	8.8	6.9

[1] After accounting for increased depreciation charges due to the Accelerated Cost Recovery System provisions of the Economic Recovery Tax Act of 1981

The following table shows that the levels of spending and revenues contained in the conference substitute imply substantial restraint in the growth of government, both in terms of nominal and real rates of change and as a share of GNP.

TRENDS IN REVENUES AND OUTLAYS IN CONFERENCE SUBSTITUTE

[In percent]

	Fiscal year—			
	1982	1983	1984	1985
Outlays as a percent of GNP	24.1	22.6	21.8	21.4
Revenues as a percent of GNP	20.6	19.6	19.5	19.9
Growth in outlays	11.7	4.9	6.8	7.2
Growth in revenues	4.9	6.0	10.8	11.3
Reference: Gross national product (in billions)	$3,050	$3,398	$3,778	$4,127

REVENUES

The Senate Resolution provided revenues of $623.0 billion in fiscal year 1982, $668.4 billion in fiscal year 1983, $741.4 billion in fiscal year 1984 and $825.5 billion in fiscal year 1985 and provided that legislation should increase revenues by $23.4 billion in fiscal year 1983, $39.4 billion in fiscal year 1984, and $45.5 billion in fiscal year 1985.

The House amendment provided revenues of $628.4 billion in fiscal year 1982, $665.9 billion in fiscal year 1983, $738.0 billion in fiscal year 1984 and $821.4 billion in fiscal year 1985 and provided that legislation should decrease revenues by $0.2 billion in 1982 and increase revenues by $20.9 billion in 1983, $36.0 billion in 1984, and $41.4 billion in 1985.

The conference substitute provides for the House-passed revenues and legislated revenue changes, as follows:

[In billions of dollars]

	Fiscal year—			
	1982	1983	1984	1985
Current law revenues	628.6	645.0	702.0	[1] 780.0
Revenue change	−0.2	+20.9	+36.0	+41.4
Revenue floor	628.4	665.9	738.0	821.4

[1] Assumes extension of highway trust fund taxes of $4.2 billion in 1985.

USER FEES

The managers agree that the amounts set forth above for increases in revenues include the assumption that the following amounts will be raised through increased user fees to recover costs of Federal programs and activities:

INCREASES IN REVENUES FROM USER FEES

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
Revenues from user fees	0.9	1.0	1.4

The spending totals in various functional categories of the budget also include assumed increases in offsetting receipts from new or expanded user fees. The Conference substitute assumes that certain user fees will be increased, but the managers agree that the budget may be implemented without the imposition of the specific user fees assumed.

BUDGET AGGREGATES AND FUNCTIONAL ALLOCATIONS

The House and Senate resolutions contained substantial differences in budget aggregates and in functional allocations. The following four tables show the budget aggregates and functional allocations provided for in the original House-passed and Senate-passed resolutions as well as the conference substitute for each of the four fiscal years dealt with in the resolution. The first table, showing the numbers reflected in the revised second budget resolution for fiscal year 1982, also includes the budget aggregates and functional allocations provided for in the original second budget resolution for FY 1982.

FISCAL YEAR 1982 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	Second budget resolution	Revised second budget resolution		
		House passed	Senate passed	Conference substitute
Budget authority	770.90	779.30	777.60	777.672
Outlays	695.45	729.20	740.80	734.100
Revenues	657.80	628.40	623.00	628.400
Deficit	−37.65	−100.80	−117.80	−105.700
Public debt	1,079.80	1,143.10	1,144.20	1,143.100
Change in revenues	−51.30	−0.20	−0.00	−0.200
Change in public debt limit	+80.000	+63.300	+64.400	+63.300
050—National defense:				
Budget authority	226.30	218.20	216.90	218.200
Outlays	188.80	187.50	190.30	187.550
150—International affairs:				
Budget authority	17.40	16.75	16.80	16.750
Outlays	11.15	11.45	11.40	11.400
250—General science, space, and technology:				
Budget authority	7.20	7.00	7.00	7.000
Outlays	7.00	7.00	7.10	7.000
270—Energy:				
Budget authority	4.50	4.75	4.80	4.800
Outlays	6.00	6.50	6.40	6.400
300—Natural resources and environment:				
Budget authority	8.20	10.40	10.30	10.300
Outlays	12.40	12.85	12.80	12.800
350—Agriculture:				
Budget authority	5.50	9.90	9.90	9.900
Outlays	4.50	12.80	13.80	13.800
370—Commerce and housing credit:				
Budget authority	7.70	7.50	11.60	9.480
Outlays	4.00	3.75	3.80	3.750
400—Transportation:				
Budget authority	21.20	21.35	20.80	20.800
Outlays	20.40	21.45	21.30	21.300
450—Community and regional development:				
Budget authority	7.10	7.00	6.70	7.000
Outlays	8.70	8.65	8.50	8.500
500—Education, training, employment, and social services:				
Budget authority	26.20	25.45	25.40	25.400
Outlays	26.85	28.20	28.10	28.100
550—Health:				
Budget authority	83.50	79.05	78.50	78.500
Outlays	73.35	71.30	73.70	73.700
600—Income security:				
Budget authority	262.70	261.35	255.80	256.792
Outlays	239.70	249.10	251.60	250.300
700—Veterans benefits and services:				
Budget authority	24.80	24.80	24.80	24.800
Outlays	24.05	23.80	23.80	23.800
750—Administration of justice:				
Budget authority	4.30	4.50	4.50	4.500
Outlays	4.45	4.65	4.60	4.600
800—General government:				
Budget authority	5.00	5.20	5.20	5.200
Outlays	4.90	5.05	5.00	5.000
850—General purpose fiscal assistance:				
Budget authority	6.50	6.35	6.40	6.400
Outlays	6.40	6.35	6.30	6.300
900—Interest:				
Budget authority	85.70	99.55	102.00	100.700
Outlays	85.70	99.55	102.00	100.700

FISCAL YEAR 1982 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	Second budget resolution	Revised second budget resolution		
		House passed	Senate passed	Conference substitute
920—Allowances:				
Budget authority		2.85	0.70	2.850
Outlays		1.90	0.80	0.800
950—Undistributed offsetting receipts:				
Budget authority	−32.90	−32.65	−30.50	−31.700
Outlays	−32.90	−32.65	−30.50	−31.700

FISCAL YEAR 1983—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	800.383	835.6699	822.390
Outlays	765.171	784.2512	769.818
Revenues	665.900	668.4000	665.900
Deficit	−99.271	−115.8512	−103.918
Public debt	1,290.200	1,292.2512	1,290.200
Change in revenues	+20.900	+23.4000	+20.900
Change in public debt limit	+147.100	+148.0512	+147.100
050—National defense:			
Budget authority	253.566	251.7000	253.566
Outlays	213.966	215.3000	213.966
150—International affairs:			
Budget authority	14.988	16.2000	15.900
Outlays	11.238	12.1000	11.500
250—General science, space, and technology:			
Budget authority	7.050	7.8000	7.800
Outlays	7.150	7.6000	7.600
270—Energy:			
Budget authority	3.486	5.3000	4.800
Outlays	3.763	5.0000	4.500
300—Natural resources and environment:			
Budget authority	9.000	9.9000	9.500
Outlays	10.550	11.4000	10.950
350—Agriculture:			
Budget authority	6.692	6.6000	6.692
Outlays	9.042	10.1000	9.042
370—Commerce and housing credit:			
Budget authority	6.751	7.1000	7.100
Outlays	1.902	3.9000	2.837
400—Transportation:			
Budget authority	21.450	21.6000	21.450
Outlays	20.050	19.9000	19.900
450—Community and regional development:			
Budget authority	6.750	6.9000	6.900
Outlays	7.847	7.7000	7.700
500—Education, training, employment, and social services:			
Budget authority	26.832	26.5000	26.832
Outlays	26.205	27.0000	26.205
550—Health:			
Budget authority	79.289	79.5699	79.569
Outlays	77.816	77.6512	77.816
600—Income security:			
Budget authority	258.141	281.8000	274.797
Outlays	269.841	273.0000	270.895

FISCAL YEAR 1983—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference substitute
700—Veterans benefits and services:			
Budget authority	24.560	24.0000	24.560
Outlays	23.823	23.2000	23.823
750—Administration of justice:			
Budget authority	4.400	4.9000	4.540
Outlays	4.500	4.9000	4.650
800—General government:			
Budget authority	4.800	5.0000	4.800
Outlays	4.650	4.8000	4.650
850—General purpose fiscal assistance:			
Budget authority	6.500	6.6000	6.500
Outlays	6.500	6.5000	6.500
900—Interest:			
Budget authority	112.300	115.5000	113.200
Outlays	112.300	115.5000	113.200
920—Allowances:			
Budget authority	−3.016	−2.0000	−3.016
Outlays	−2.816	−2.0000	−2.816
950—Undistributed offsetting receipts:			
Budget authority	−43.156	−39.3000	−43.100
Outlays	−43.156	−39.3000	−43.100

FISCAL YEAR 1984—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	862.601	897.4699	878.473
Outlays	815.979	833.2677	821.928
Revenues	738.000	741.4000	738.000
Deficit	−77.979	−91.8677	−83.928
Public debt	1,426.600	1,420.2189	1,420.219
Change in revenues	+36.000	+39.4000	+36.000
Change in public debt limit	+136.400	+127.9677	+130.019
050—National defense:			
Budget authority	279.483	278.3000	279.483
Outlays	243.283	243.0000	243.283
150—International affairs:			
Budget authority	16.000	16.7000	16.400
Outlays	11.550	12.3000	11.900
250—General science, space, and technology:			
Budget authority	7.050	7.7000	7.700
Outlays	7.100	7.8000	7.800
270—Energy:			
Budget authority	2.794	4.6000	3.950
Outlays	2.184	3.9000	3.300
300—Natural resources and environment:			
Budget authority	8.400	9.3000	8.700
Outlays	9.500	10.3000	9.800
350—Agriculture:			
Budget authority	8.250	8.3000	8.300
Outlays	7.500	8.2000	7.600
370—Commerce and housing credit:			
Budget authority	7.385	7.6000	7.600
Outlays	1.425	3.6000	2.521
400—Transportation:			
Budget authority	21.700	21.8000	21.700
Outlays	19.700	19.7000	19.700

FISCAL YEAR 1984—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference substitute
450—Community and regional development:			
Budget authority	6.900	6.9000	6.900
Outlays	7.469	7.5000	7.500
500—Education, training, employment, and social services:			
Budget authority	26.924	26.7000	26.700
Outlays	26.124	26.9000	26.900
550—Health:			
Budget authority	91.094	92.2699	91.725
Outlays	86.249	85.7677	86.249
600—Income security:			
Budget authority	278.464	300.9000	291.042
Outlays	285.514	288.8000	287.531
700—Veterans benefits and services:			
Budget authority	25.830	25.0000	25.746
Outlays	25.704	24.2000	25.017
750—Administration of justice:			
Budget authority	4.300	5.0000	4.500
Outlays	4.350	5.0000	4.500
800—General government:			
Budget authority	4.500	4.7000	4.500
Outlays	4.450	4.6000	4.450
850—General purpose fiscal assistance:			
Budget authority	6.700	6.7000	6.700
Outlays	6.700	6.7000	6.700
900—Interest:			
Budget authority	118.000	120.8000	118.000
Outlays	118.000	120.8000	118.000
920—Allowances:			
Budget authority	−2.383	−0.8000	−2.383
Outlays	−2.033	−0.8000	−2.033
950—Undistributed offsetting receipts:			
Budget authority	−48.790	−44.8000	−48.790
Outlays	−48.790	−44.8000	−48.790

FISCAL YEAR 1985—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference substitute
Budget authority	948.503	973.2699	960.611
Outlays	874.956	890.6712	881.356
Revenues	821.400	825.5000	821.400
Deficit	−53.556	−67.1712	−59.956
Public debt	1,551.100	1,533.4901	1,533.491
Change in revenues	+41.400	+45.5000	+41.400
Change in public debt limit	+124.500	+113.2712	+113.272
050—National defense:			
Budget authority	323.650	316.5000	323.650
Outlays	279.000	277.7000	279.000
150—International affairs:			
Budget authority	20.940	21.0000	21.000
Outlays	11.590	12.2000	11.800
250—General science, space, and technology:			
Budget authority	7.050	7.3000	7.300
Outlays	7.050	7.4000	7.400

FISCAL YEAR 1985—BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference substitute
270—Energy:			
Budget authority	2.604	4.5000	3.800
Outlays	1.402	3.7000	3.000
300—Natural resources and environment:			
Budget authority	7.950	8.9000	8.300
Outlays	8.400	9.3000	8.700
350—Agriculture:			
Budget authority	5.760	6.7000	6.700
Outlays	7.110	7.3000	7.110
370—Commerce and housing credit:			
Budget authority	6.965	7.4000	7.223
Outlays	1.055	3.3000	1.880
400—Transportation:			
Budget authority	22.050	22.1000	22.050
Outlays	19.550	19.7000	19.600
450—Community and regional development:			
Budget authority	7.100	7.0000	7.100
Outlays	7.442	7.4000	7.400
500—Education, training, employment, and social services:			
Budget authority	26.214	26.4000	26.214
Outlays	25.369	26.5000	26.161
550—Health:			
Budget authority	102.569	103.6699	103.229
Outlays	98.830	97.2712	98.830
600—Income security:			
Budget authority	314.041	332.9000	322.373
Outlays	306.791	310.5000	308.858
700—Veterans benefits and services:			
Budget authority	26.940	25.5000	26.752
Outlays	26.497	25.4000	26.497
750—Administration of justice:			
Budget authority	4.250	5.1000	4.500
Outlays	4.250	5.1000	4.500
800—General government:			
Budget authority	4.500	4.7000	4.500
Outlays	4.300	4.4000	4.300
850—General purpose fiscal assistance:			
Budget authority	6.850	6.9000	6.850
Outlays	6.850	6.8000	6.850
900—Interest:			
Budget authority	111.500	114.6000	111.500
Outlays	111.500	114.6000	111.500
920—Allowances:			
Budget authority	−2.150	−0.8000	−2.150
Outlays	−1.750	−0.6000	−1.750
950—Undistributed offsetting receipts:			
Budget authority	−50.280	−47.3000	−50.280
Outlays	−50.280	−47.3000	−50.280

RECONCILIATION INSTRUCTIONS

The conference substitute includes reconciliation instructions to eight Senate committees to report legislation to achieve savings in the fiscal years 1983-85, and reconciliation instructions to nine House committees to report legislation to achieve savings in fiscal years 1983-85. These savings are necessary for the committees to remain within their spending limits contemplated in the Resolution.

The Senate Finance Committee and the House Ways and Means Committee are also instructed by the Resolution to report legislation to increase revenues in the fiscal years 1983-85.

Any legislation included in the Reconciliation Bill reported pursuant to this Resolution shall achieve net spending reductions in the amounts required by this Resolution.

CONFERENCE SUBSTITUTE RECONCILIATION INSTRUCTIONS—SENATE COMMITTEES

[In millions of dollars]

	Fiscal year—							
	1983		1984		1985		1983-85	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Spending reductions:								
Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428	−3,290	−3,290
Armed Services	−213	−213	−693	−693	−1,231	−1,231	−2,137	−2,137
Banking		−695		−697		−687		−2,079
Commerce	−4	−4	−15	−15	−27	−27	−46	−46
Finance	−1,106	−4,429	−1,444	−5,564	−1,740	−5,976	−4,290	−15,969
Foreign Relations		−2	−2	−8	−4	−15	−6	−25
Governmental Affairs		−374	−240	−1,053	−534	−1,793	−774	−3,220
Veterans' Affairs	−77	−77	−155	−155	−155	−155	−387	−387
Total spending reductions	−2,179	−6,573	−3,632	−9,268	−5,119	−11312	−10,930	−27,153
Revenue increases:								
Finance		+20,900		+36,000		+41,400		+98,300
(User fee portion)		(+900)		(+1,000)		(+1,400)		(+3,300)
Total reconciliation instructions		−27,473		−45,268		−52,712		−125,453

CONFERENCE SUBSTITUTE RECONCILIATION INSTRUCTIONS—HOUSE COMMITTEES

[In millions of dollars]

	Fiscal year—							
	1983		1984		1985		1983-85	
	BA	O	BA	O	BA	O	BA	O
Spending reductions:								
Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428	−3,290	−3,290
Armed Services	−213	−213	−693	−693	−1,231	−1,231	−2,137	−2,137
Banking		−695		−697		−687		−2,079
Energy and Commerce	−514	−675	−741	−739	−815	−811	−2,070	−2,225
Foreign Affairs		−2	−2	−8	−4	−15	−6	−25
Merchant Marine	−4	−4	−15	−15	−27	−27	−46	−46
Post Office and Civil Service		−376	−242	−1,061	−538	−1,808	−780	−3,245
Veterans' Affairs	−77	−77	−155	−155	−155	−155	−387	−387
Ways and Means	−593	−3,755	−705	−4,827	−928	−5,168	−2,226	−13,750
Total	−2,180	−6,576	−3,636	−9,278	−5,126	−11,330	−10,942	−27,184
Less double counting (Dual committee jurisdiction)	1	3	4	10	7	18	12	31
Total spending reductions	−2,179	−6,573	−3,632	−9,268	−5,119	−11,312	−10,930	−27,153
Revenue increases:								
Ways and Means		+20,900		+36,000		+41,400		+98,300
(User fee portion)		(+900)		(+1,000)		(+1,400)		(+3,300)
Total reconciliation instructions		−27,473		−45,268		−52,712		−125,453

CREDIT BUDGET

For fiscal year 1982, the Senate Resolution provided $67.3 billion for new direct loan obligations, $93.0 billion for new primary loan guarantee commitments, and $69.0 billion for new secondary loan guarantee commitments. The House amendment provided $63.4 billion for new direct loan obligations, $74.85 billion for new primary loan guarantee commitments, and $68.95 billion for new secondary loan guarantee commitments. The conference substitute provides $63.6 billion for new direct loan obligations, $74.9 billion for new primary loan guarantee commitments, and $69.0 billion for new secondary loan guarantee commitments.

For fiscal year 1983, the Senate Resolution provided $63.6 billion for new direct loan obligations, $102.2 billion for new primary loan guarantee commitments, and $68.3 billion for new secondary loan guarantee commitments. The House amendment provided $58.05 billion for new direct loan obligations, $99.4 billion for new primary loan guarantee commitments, and $68.25 billion for new secondary loan guarantee commitments. The Conference substitute provides $59.7 billion for new direct loan obligations, $101.9 billion for new primary loan guarantee commitments, and $68.3 billion for new secondary loan guarantee commitments.

The credit budget aggregate totals and functional allocations for FY 1982 and FY 1983 are shown in the following table:

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CONFERENCE SUBSTITUTE FISCAL YEAR 1982 AND FISCAL YEAR 1983 CREDIT ACTIVITIES

[In billions of dollars, by fiscal year]

Function	New direct loan obligations fiscal year		New primary loan guarantee commitments		New secondary loan guarantee commitments	
	1982	1983	1982	1983	1982	1983
050: National Defense		0.05		0.05		
150: International Affairs	10.4	10.2	8.1	9.3		
250: General Science, Space, and Technology	0.2	0.2				
270: Energy	10.3	12.0	0.4	0.5		
300: Natural Resources and Environment	0.03	0.03				
350: Agriculture	22.6	18.1	2.7	2.6		
370: Commerce and Housing Credit	12.05	12.1	26.2	41.0	68.2	68.2
400: Transportation	0.4	0.5	0.75	0.8	0.003	0.003
450: Community and Regional Development	2.1	2.2	0.9	0.6		
500: Education, Training, Employment, and Social Services	1.3	0.8	6.5	7.2	0.7	
550: Heath	0.1	0.1	0.1	0.1		
600: Income Security	2.8	2.0	17.0	18.7		
700: Veterans Benefits and Services	1.0	1.0	11.9	20.9		
800: General Government	0.1	0.05				
850: General Purpose Fiscal Assistance	0.2	0.2	0.3			
Total Credit Activities	63.6	59.7	74.9	101.9	69.0	68.3

The Senate Resolution contained a provision creating a point of order against consideration in fiscal years 1982 and 1983 of legislation that authorizes new direct loan obligations or new loan guarantee commitments, unless such authority is effective only to the extent provided in appropriation acts. The Senate resolution provided an exemption for agricultural price support and related programs of the type in operation on January 1, 1982, funded through the Commodity Credit Corporation (CCC). The House amendment did not contain such a provision. The Conference substitute contains the text of the Senate provision, with further exemptions for loan and loan guarantee programs administered by the Veterans Administration and for bills or resolutions reported to the House or Senate prior to the adoption of this resolution.

The House amendment contained a provision providing a point of order against legislation considered after the adoption of a Second Concurrent Resolution on the Budget for fiscal year 1983 which would cause the aggregate levels of new direct loan obligations or new primary or secondary loan guarantee commitments for fiscal year 1983 set forth in the Resolution to be exceeded. The House provision also provided for an allocation to the appropriate committees of the Senate and House of the fiscal year 1983 credit budget totals set forth in the First Concurrent Resolution on the Budget for that year. The provision exempted agricultural price support and related programs of the type in operation on January 1, 1982, funded through the Commodity Credit Corporation (CCC). The Senate Resolution did not contain such a provision. The Conference substitute contains the House provision. In compliance with this provision, an allocation of the credit budget totals in the Conference substitute is printed in this Joint Explanatory Statement of Managers.

It is the intent of the conferees that direct loan and loan guarantee levels for the Rural Electrification Administration assumed in the fiscal year 1983 credit totals contained in the Conference substitute are predicated on the continuation of the present criteria and supplemental loan ratios and on interest rates set in the Rural Electrification Act of 1936, as amended by the Omnibus Budget Reconciliation Act of 1981.

The Senate Resolution expressed the sense of the Congress that the President through administrative actions should limit fiscal year 1983 Federal Financing Bank origination of direct loans to specified amounts and that direct borrowing by Federal agencies should be limited, to the maximum extent possible, to the Federal Financing Bank. The House amendment did not contain such a provision. The Conference substitute does not contain the provision.

The House amendment contained a provision expressing the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal government to specified levels. The Senate Resolution did not contain such a provision. The Conference substitute does not contain the House provision.

Also contained in the Senate Resolution was a sense of the Congress provision directing the committees of jurisdiction to act expeditiously to consider legislation establishing a process for annual determination of appropriate levels for and proper budgetary treatment of Federal credit activity. The House amendment did not contain such a provision. The Conference substitute does not contain the Senate provision.

SOCIAL SECURITY SOLVENCY

The Senate resolution required the Senate Finance and House Ways and Means Committees to report legislation by December 1, 1982, to ensure the solvency of the social security system. The Senate language called for the solvency legislation to take into account the recommendations of the National Commission on Social Security Reform, and for the report of that Commission to be submitted to Congress by November 11, 1982. The changes in law were to do no more than was absolutely necessary to preserve the financial integrity of the social security system. The House resolution did not contain this provision.

The Senate conferees receded to the House.

In light of the need for legislative action to ensure the financial stability of the social security system, the conferees urge the President to direct the National Commission on Social Security Reform to report its recommendations at the earliest date possible. The conferees also urge the Congress to take action at the earliest possible time to ensure the solvency of the social security system.

DEFERRED ENROLLMENT

Both the Senate resolution and the House amendment provided for the deferred enrollment of certain spending bills pursuant to section 301(b)(1) of the Congressional Budget and Impoundment Control Act.

The House amendment also contained language dealing with certain trust fund expenditures.

The conference substitute provides that spending bills exceeding the appropriate allocation under section 302 of the Budget Act shall not be enrolled until the adoption of the second budget resolution. For the Senate the appropriate allocations are "new budget authority" and "new spending authority"; for the House the appropriate allocations are "new discretionary budget authority" and "new spending authority".

In general, the conferees intend that increase in revenues and receipts through the imposition of user fees be used to reduce the deficit. However, the conference substitute would permit the authorizing legislation for spending financed by the Airport and Airway Trust Fund, the Highway Trust Fund, and any new trust fund created for urban mass transportation purposes to be enrolled to the extent that new spending in excess of the appropriate section 302(b) allocation is offset by increases in trust fund revenues.

SECTION 302(b) REPORT REQUIREMENT

The House amendment provided that it shall not be in order to consider spending bills within the jurisdiction of a committee until that committee has filed its report as required under Section 302

(b) of the Budget Act. The conference substitute includes this provision.

AUTOMATIC SECOND BUDGET RESOLUTION

The House amendment contained language which converts the resolution into the Second Concurrent Resolution on the Budget on September 25, 1982, if the Congress does not otherwise adopt a resolution by that date. The Senate version contained no such provision. The conferees agreed to strike "September 25," and insert "October 1,". The Senate receded to the House language with the amendment.

TAX EXPENDITURES AND OFF-BUDGET SPENDING

The managers of the Conference urge the budget committees and other appropriate committees of Congress to study ways in which tax expenditures and off-budget spending can be addressed more fully in budget resolutions and incorporated into the procedures of the Congressional budget process.

FEDERAL EMPLOYMENT REDUCTIONS

The House amendment contained the following provision: "It is the sense of Congress that reductions in federal employment should be accomplished through attrition only."

The Senate resolution contained no such provision. The conferees agreed to delete the word "only". The Senate receded to the House provision with that amendment.

FEDERAL RESERVE

The Senate resolution contained a sense of the Congress provision relating to Federal Reserve as follows:

> It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall re-evaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

The House version contained a similar provision. The House receded.

ALLOCATION OF BUDGET AUTHORITY, OUTLAYS, AND CREDIT TO SENATE AND HOUSE COMMITTEES

Pursuant to section 302 of the Congressional Budget Act and section 9 of S. Con. Res. 92, the conference substitute makes the following allocation of budget authority, outlays, and credit among the committees of the respective Houses:

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1982

[In millions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations Committee	459,310	433,581		
Agriculture, Nutrition, and Forestry Committee	766	12,679	89	125
Armed Services Committee	12	9	15,192	15,155
Banking, Housing, and Urban Affairs Committee	3,688	109		1
Commerce, Science, and Transportation Committee	1,684	804	279	434
Energy and Natural Resources Committee	1,156	928	53	55
Environment and Public Works Committee	10,183	2,047	6	6
Finance Committee	351,208	350,130	43,801	45,474
Foreign Relations Committee	13,701	11,365		
Governmental Affairs Committee	42,984	29,839	(1)	(1)
Judiciary Committee	539	522	59	60
Labor and Human Resources Committee	5,410	5,585	5,504	5,341
Rules and Administration Committee	46	8		
Small Business Committee				
Veterans' Affairs Committee	1,363	1,024	15,752	15,253
Select Committee on Indian Affairs	515	362		
Not allocated to committees	−114,892	−114,892		
Total, budget	777,672	734,100	80,735	81,904

[1] Less than $500,000

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATION PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983

[In millions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget Authority	Outlays	Budget Authority	Outlays
Appropriations Committee	483,005	459,361		
Agriculture, Nutrition, and Forestry Committee	4,332	8,482	94	90
Armed Services Committee	19	29	16,358	16,351
Banking, Housing, and Urban Affairs Committee	3,971	−58		
Commerce, Science, and Transportation Committee	1,135	−56	352	407
Energy and Natural Resources Committee	747	538	53	50
Environment and Public Works Committee	10,824	1,378	6	6
Finance Committee	387,984	387,986	41,874	46,330
Foreign Relations Committee	14,777	12,229		
Governmental Affairs Committee	46,061	32,033	(1)	(1)
Judiciary Committee	539	522	62	62
Labor and Human Resources Committee	5,784	5,933	5,438	5,396
Rules and Administration Committee	48	10		
Small Business Committee				
Veterans Affairs Committee	1,374	917	14,912	15,463
Select Committee on Indian Affairs	548	414		
Not allocated to committees	−138,759	−139,901		

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATION PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget Authority	Outlays	Budget Authority	Outlays
Total, budget	822,390	769,818	79,149	84,157

[1] Less than $500,000

SENATE COMMITTEE CREDIT ALLOCATIONS PURSUANT TO SECTION 9 of S. CON. RES. 92

[In millions of dollars]

Fiscal year 1983	New direct loan obligations	New primary loan guarantee commitments	New secondary loan guarantee commitments
Appropriations Committee	42,520	77,736	68,253
Agriculture, Nutrition, and Forestry Committee			
Armed Services Committee			
Banking, Housing, and Urban Affairs Committee	924	20,997	
Commerce, Science, and Transportation Committee	25	675	
Energy and Natural Resources Committee			
Environment and Public Works Committee	5,389		
Finance Committee			
Foreign Relations Committee			
Governmental Affairs Committee	80		
Judiciary Committee			
Labor and Human Resources Committee	3		
Rules and Administration Committee			
Small Business Committee			
Veterans' Affairs Committee	123		
Select Committee on Indian Affairs			
Not allocated to Committees	179		
Total, budget	[1] 49,242	99,408	68,253

[1] Section 9 exempts from the allocations $10,500 million in new direct loan obligations and $2,500 million in new primary loan guarantee commitments of agricultural price support and related programs of the type in operation on Jan. 1, 1982, that are funded through the Commodity Credit Corporation.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
HOUSE APPROPRIATIONS COMMITTEE		
050 National Defense	219,110	188,463
150 International Affairs	15,384	12,379
250 General Science, Space, and Techology	6,999	7,000
270 Energy	4,536	6,196
300 Natural Resources and Environment	12,935	15,451
350 Agriculture	9,575	2,065
370 Commerce and Housing Credit	6,042	3,511
400 Transportation	11,408	21,074
450 Community and Regional Development	6,635	7,803
500 Education, Training, Employment, and Social Services	24,682	28,111
550 Health	41,977	43,130
600 Income Security	54,616	55,774
700 Veterans Benefits and Services	24,082	23,502

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982—Continued

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
750 Administration of Justice	4,526	4,630
800 General Government	8,693	8,533
850 General Purpose Fiscal Assistance	5,278	5,175
900 Interest	(1)	(1)
920 Allowances	2,850	800
950 Undistributed Offsetting Receipts	−25	−25
Committee total	459,303	433,574
HOUSE AGRICULTURE COMMITTEE		
300 Natural Resources and Environment	260	292
350 Agriculture	398	11,808
450 Community and Regional Development	1	518
850 General Purpose Fiscal Assistance	242	242
Committee total	900	12,859
HOUSE ARMED SERVICES COMMITTEE		
050 National Defense	11	8
400 Transportation	(2)	(2)
700 Veterans Benefits and Services	(2)	(2)
850 General Purpose Fiscal Assistance	1	1
Committee total	12	9
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE		
150 International Affairs	0	−255
370 Commerce and Housing Credit	3,417	249
450 Community and Regional Development	221	179
500 Education, Training, Employment, and Social Services	0	−3
550 Health	0	0
600 Income Security	30	3
700 Veterans Benefits and Services	0	−14
800 General Government	5	5
900 Interest	11	11
Committee total	3,684	173
HOUSE DISTRICT OF COLUMBIA COMMITTEE		
750 Administration of Justice	9	9
850 General Purpose Fiscal Assistance	80	80
Committee total	89	89
HOUSE EDUCATION AND LABOR COMMITTEE		
500 Education, Training, Employment, and Social Services	15	21
600 Income Security	30	24
Committee Total	44	45
HOUSE ENERGY AND COMMERCE COMMITTEE		
300 Natural Resources and Environment	0	(2)
370 Commerce and Housing Credit	28	28
400 Transportation	816	816
550 Health	5	5
600 Income Security	5,356	5,531
850 General Purpose Fiscal Assistance	5	5

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982—Continued

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
Committee total	6,209	6,384
HOUSE FOREIGN AFFAIRS COMMITTEE		
150 International Affairs	13,258	11,169
370 Commerce and Housing Credit	11	11
600 Income Security	433	186
Committee total	13,702	11,365
HOUSE GOVERNMENT OPERATIONS COMMITTEE		
800 General Government	1	(2)
850 General Purpose Fiscal Assistance	4,567	4,567
Committee total	4,568	4,567
HOUSE ADMINISTRATION COMMITTEE		
250 General Science, Space, and Technology	(2)	(2)
500 Education, Training, Employment, and Social Services	6	6
800 General Government	39	1
Committee total	46	8
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE		
270 Energy	280	1
300 Natural Resources and Environment	43	16
450 Community and Regional Development	515	361
800 General Government	(2)	(1)
850 General Purpose Fiscal Assistance	601	604
Committee total	1,439	981
HOUSE JUDICIARY COMMITTEE		
300 Natural Resources and Environment	(2)	(2)
370 Commerce and Housing Credit	22	18
600 Income Security	11	3
750 Administration of Justice	0	−5
800 General Government	506	506
Committee total	539	522
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE		
300 Natural Resources and Environment	167	144
370 Commerce and Housing Credit	27	0
400 Transportation	415	−59
850 General Purpose Fiscal Assistance	4	4
Committee total	612	89
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE		
370 Commerce and Housing Credit	11	11
550 Health	0	−142
600 Income Security	32,181	19,179
800 General Government	10,702	10,702
Committee total	42,893	29,750

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1982—Continued

[In millions of dollars]

	Direct spending jurisdiction	
	Budget authority	Outlays
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE		
270 Energy	1,614	1,800
300 Natural Resources and Environment	79	82
400 Transportation	8,691	−2
450 Community and Regional Development	5	15
Committee total	10,389	1,895
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE		
250 General Science, Space, and Technology	5	5
270 Energy	5	39
300 Natural Resources and Environment	18	18
370 Commerce and Housing Credit	([2])	([2])
800 General Government	([2])	([2])
Committee total	29	62
HOUSE VETERANS AFFAIRS COMMITTEE		
700 Veterans Benefits and Services	1,363	957
Committee total	1,363	957
HOUSE WAYS AND MEANS COMMITTEE		
500 Education, Training, Employment, and Social Services	732	0
550 Health	54,739	48,928
600 Income Security	170,847	176,312
800 General Government	7	7
850 General Purpose Fiscal Assistance	337	337
900 Interest	120,071	120,071
Committee total	346,734	345,656
UNASSIGNED		
050 National Defense	−921	−921
150 International Affairs	−11,893	−11,893
250 General Science, Space, and Technology	−5	−5
270 Energy	−1,635	−1,635
300 Natural Resources and Environment	−3,203	−3,203
350 Agriculture	−73	−73
370 Commerce and Housing Credit	−77	−77
400 Transportation	−530	−530
450 Community and Regional Development	−376	−376
500 Education, Training, Employment, and Social Services	−35	−35
550 Health	−18,221	−18,221
600 Income Security	−6,711	−6,711
700 Veterans Benefits and Services	−645	−645
750 Administration of Justice	−35	−35
800 General Government	−14,754	−14,754
850 General Purpose Fiscal Assistance	−4,715	−4,715
900 Interest	−19,382	−19,382
950 Undistributed Offsetting Receipts	−31,675	−31,675
Committee total	−114,885	−114,885
Grand total	777,672	734,100

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[1] Less than negative $500,000.

[2] Less than $500,000.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
HOUSE APPROPRIATIONS COMMITTEE			
Current Level:			
050 National defense	16,868	89,031	0
150 International affairs	127	−109	0
250 General science, space, and technology	0	2,199	0
300 Natural resources and environment	14	16	0
370 Commerce and housing credit	0	−526	0
400 Transportation	407	858	0
450 Community and regional development	53	53	0
500 Education, training, employment, and social services	7,387	7,315	0
550 Health	32,095	36,684	0
600 Income security	29,454	29,677	0
700 Veterans benefits and services	14,279	14,306	0
750 Administration of justice	91	663	0
800 General government	4,759	4,733	0
850 General purpose fiscal assistance	4,567	4,567	0
Subtotal	110,102	189,468	0
Discretionary appropriations action:			
050 National defense	235,074	123,285	0
150 International affairs	14,128	12,480	0
250 General science, space, and technology	7,800	5,401	0
270 Energy	5,089	5,084	0
300 Natural resources and environment	13,078	14,586	0
350 Agriculture	6,617	1,743	0
370 Commerce and housing credit	3,347	3,182	0
400 Transportation	11,205	19,668	0
450 Community and regional development	6,504	6,764	0
500 Education, training, employment, and social services	18,736	18,948	0
550 Health	8,000	8,979	0
600 Income security	28,469	30,296	0
700 Veterans benefits and services	8,927	8,869	0
750 Administration of justice	4,462	4,009	0
800 General government	4,135	4,049	0
850 General purpose fiscal assistance	642	642	0
920 Allowances	−832	−648	0
950 Undistributed offsetting receipts	12	12	0
Subtotal	375,394	267,348	0
Discretionary action by other committees:			
050 National defense	2,362	2,378	0
400 Transportation	−4	−4	0
500 Education, training, employment, and social services	−59	−31	0
550 Health	−487	−640	0
600 Income security	−895	−963	0
700 Veterans benefits and services	632	578	0
920 Allowances	−84	−68	0
Subtotal	1,465	1,351	0
Committee total	486,961	458,167	0
HOUSE AGRICULTURE COMMITTEE			
Current level:			
300 Natural resources and environment	297	291	0
350 Agriculture	175	8,299	45
450 Community and regional development	1	711	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
850 General purpose fiscal assistance	294	294	294
Subtotal	767	9,595	339
Discretionary action:			
300 Natural resources and environment	-36	-36	0
350 Agriculture	-12	-912	0
370 Commerce and housing credit	-21	-21	0
Subtotal	-69	-969	0
Committee total	698	8,626	339
HOUSE ARMED SERVICES COMMITTEE			
Current level:			
050 National defense	18	27	16,777
850 General purpose fiscal assistance	1	1	0
Subtotal	19	29	16,777
Discretionary action:			
050 National defense	0	0	–75
Subtotal	0	0	–75
Committee total	19	29	16,702
HOUSE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	0	–226	0
370 Commerce and housing credit	3,7[illegible]	948	0
450 Community and regional development	192	155	0
500 Education, training, employment, and social services	0	–2	0
600 Income security	25	0	0
700 Veterans benefits and services	0	–13	0
800 General government	7	7	0
900 Interest	11	11	0
Subtotal	4,031	879	0
Discretionary action:			
370 Commerce and housing credit	–63	–758	0
Subtotal	–63	–758	0
Committee total	3,968	121	0
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
Current Level:			
750 Administration of justice	9	9	9
850 General purpose fiscal assistance	86	86	0
Subtotal	95	95	9
Committee total	95	95	9
HOUSE EDUCATION AND LABOR COMMITTEE			
Current level:			
500 Education, training, employment, and social services	14	13	4,405
600 Income security	37	32	5,489
Subtotal	51	44	9,895

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Committee total	51	44	9,985
HOUSE ENERGY AND COMMERCE COMMITTEE			
Current level:			
370 Commerce and housing credit	29	29	0
400 Transportation	122	122	121
550 Health	5	5	**14,680**
600 Income security	5,723	5,879	5,899
850 General purpose fiscal assistance	6	5	6
Subtotal	5,884	6,040	**20,706**
Discretionary action:			
270 Energy	−360	−360	0
300 Natural resources and environment	−27	−27	0
550 Health	0	0	−514
Subtotal	−387	−387	−514
Committee total	5,497	5,653	**20,192**
HOUSE FOREIGN AFFAIRS COMMITTEE			
Current level:			
150 International affairs	14,309	12,020	0
370 Commerce and housing credit	6	6	0
600 Income security	463	206	206
Subtotal	14,778	12,232	206
Discretionary action:			
600 Income security	0	−2	−2
Subtotal	0	−2	−2
Committee totals	14,778	12,230	204
HOUSE GOVERNMENT OPERATIONS COMMITTEE			
Current level:			
800 General government	1	0	0
850 General purpose fiscal assistance	4,567	4,567	4,567
Subtotal	4,568	4,567	4,567
Committee total	4,568	4,567	4,567
HOUSE ADMINISTRATION COMMITTEE			
Current level:			
500 Education, training, employment, and social services	7	6	0
800 General government	41	3	69
Subtotal	48	10	69
Committee total	48	10	69
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE			
Current level:			
270 Energy	180	1	0
300 Natural resources and environment	51	21	14
450 Community and regional development	547	412	53
800 General government	1	1	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
850 General purpose fiscal assistance	653	653	653
Sutotal	1,433	1,089	721
Discretionary action:			
300 Natural resources and environment	−22	−22	0
Subtotal	−22	−22	0
Committee total	1,411	1,067	721
HOUSE JUDICIARY COMMITTEE			
Current level:			
370 Commerce and housing credit	23	23	0
600 Income security	10	2	2
750 Administration of justice	0	−9	91
800 General Government	506	506	506
Subtotal	540	523	599
Committee total	540	523	599
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE			
Current Level:			
300 Natural resources and environment	180	153	0
370 Commerce and housing credit	29	0	0
400 Transportation	407	−49	336
850 General purpose fiscal assistance	4	4	0
Subtotal	620	108	336
Discretionary action:			
400 Transportation	−150	−150	−4
Subtotal	−150	−150	−4
Committee total	470	−42	332
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE			
Current level:			
370 Commerce and housing credit	11	11	0
550 Health	0	−268	1,075
600 Income security	34,450	21,065	21,065
800 General government	11,504	11,504	9
Subtotal	45,965	32,312	22,148
Discretionary action:			
600 Income security	0	-374	-374
Subtotal	0	-374	-374
Committee total	45,965	31,938	21,774
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
Current level:			
270 Energy	1,622	1,500	0
300 Natural resources and environment	80	83	0
400 Transportation	4,718	−5	71
450 Community and regional development	6	9	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Subtotal	6,426	1,587	71
Discretionary action:			
300 Natural resources and environment	−370	−370	0
400 Transportation	5,285	0	1
Subtotal	4,915	−370	1
Committee total	11,341	1,217	72
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE			
Current level:			
250 General Science, space, and technology	5	5	0
270 Energy	3	9	0
300 Natural resources and environment	20	20	0
Subtotal	29	34	0
Committee total	29	34	0
HOUSE VETERANS AFFAIRS COMMITTEE			
Discretionary action:			
700 Veterans benefits and services	1,469	829	14,707
Subtotal	1,469	829	14,707
Discretionary action:			
700 Veterans benefits and services	−95	−95	632
Subtotal	−95	−95	632
Committee total	1,374	734	15,339
HOUSE WAYS AND MEANS COMMITTEE			
Current level:			
500 Education, training, employment, and social services	790	0	2,845
550 Health	50,981	57,238	57,238
600 Income security	185,729	193,646	211,834
800 General government	8	8	0
850 General purpose fiscal assistance	362	362	362
900 Interest	136,311	136,311	136,311
Subtotal	384,181	387,565	408,590
Discretionary action:			
550 Health	−515	−3,672	−3,162
600 Income security	0	0	−593
900 Interest	−329	−329	0
920 Allowances	0	0	500
Subtotal	−844	−4,001	−3,255
Committee total	383,337	383,564	405,335
UNASSIGNED			
Current level:			
050 National defense	−756	−756	0
150 International affairs	−12,664	−12,664	0
250 General science, space, and technology	−5	−5	0
270 Energy	−1,734	−1,734	0
300 Natural resources and environment	−3,766	−3,766	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(A) OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1983—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
350 Agriculture	−88	−88	0
370 Commerce and housing credit	−58	−58	0
400 Transportation	−540	−540	0
450 Community and regional development	−403	−403	0
500 Education, training, employment, and social services	−44	−44	0
550 Health	−20,509	−20,509	0
600 Income security	−8,668	−8,668	0
700 Veterans benefits and services	−652	−652	0
750 Administration of justice	−23	−23	0
800 General government	−16,162	−16,162	0
850 General purpose fiscal assistance	−4,682	−4,682	0
900 Interest	−22,793	−22,793	0
920 Allowances	−2,100	−2,100	0
950 Undistributed offsetting receipts	−43,112	−43,112	−19,062
Subtotal	−138,759	−138,759	−19,062
Committee total	−138,759	−138,759	−19,062
Total—current level	442, 246	508,246	480,677
Total—discretionary action	380, 144	261,572	−3,591
Grand total	822,390	769,818	477,086

Note.—Totals may not add because of rounding.

ALLOCATION OF FEDERAL CREDIT PROGRAM RESPONSIBILITY PURSUANT TO SECTION 9 OF THE PROPOSED CONFERENCE SUBSTITUTE FOR SENATE CON. RES. 92, FISCAL YEAR 1983

[In millions of dollars]

	New direct loan, obligations	New primary guarantee commitments	New secondary guarantee commitments
HOUSE APPROPRIATIONS COMMITTEE			
050 National defense	50	50	
150 International affairs	10,202	12,743	
250 General science, space, and technology	171	171	
270 Energy	7,392	6,400	
300 Natural resources and environment	27		
350 Agriculture	14,265	6,778	
370 Commerce and housing credit	17,650	48,675	68,250
400 Transportation	493	1,056	3
450 Community and regional development	3,415	1,903	
500 Education, training, employment and social services	844	7,250	
550 Health	119	155	
600 Income security	2,029	19,771	
700 Veterans benefits and services	2		
800 General government	43	43	
850 General purpose fiscal assistance	145		
Subtotal, gross activity	56,847	104,995	68,253
Less, Federal financing bank purchase of loan assets	−8,838		
Less, guarantees of direct loans		−26,595	
Committee total	48,009	78,400	68,253

ALLOCATION OF FEDERAL CREDIT PROGRAM RESPONSIBILITY PURSUANT TO SECTION 9 OF THE PROPOSED CONFERENCE SUBSTITUTE FOR SENATE CON. RES. 92, FISCAL YEAR 1983—Continued

[In millions of dollars]

	New direct loan obligations	New primary guarantee commitments	New secondary guarantee commitments
HOUSE BANKING, FINANCE, AND URBAN AFFAIRS COMMITTEE			
370 Commerce and housing credit	5	75	
Committee total	5	75	
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
850 General purpose fiscal assistance	80		
Committee total	80		
HOUSE EDUCATION AND LABOR COMMITTEE			
600 Income security	3		
Committee total	3		
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
270 Energy	5,370	5,289	
400 Transportation	20		
Subtotal, gross activity	5,390	5,289	
Less, Federal financing bank purchase of loan assets	−5,289		
Less: guarantees of direct loans		−5,289	
Committee total	101		
HOUSE VETERANS AFFAIRS COMMITTEE			
700 Veterans benefits and services	1,041	20,934	
Committee total	1,041	20,934	
Grand total	[1] 49,239	[1] 99,409	68,253

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[1] These amounts are less than the aggregates in the proposed conference substitute for direct loan obligations and primary loan guarantee commitments because the proposed conference substitute would exempt credit programs administered by the Commodity Credit Corporation from the allocation process

JIM JONES,
BILL NELSON,
LES ASPIN,
W. G. BILL HEFNER,
DELBERT L. LATTA,
RALPH REGULA,
BILL FRENZEL,
ED BETHUNE,
LYNN MARTIN,
BOBBI FIEDLER.
Managers on the Part of the House.

PETE DOMENICI,
W. L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
ORRIN G. HATCH,
JOHN TOWER,
Managers on the Part of the Senate.

THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974, AS AMENDED

PUBLIC LAW 93-344
93D CONGRESS, H.R. 7130
JULY 12, 1974

AN ACT To establish a new congressional budget process; to establish Committees on the Budget in each House; to establish a Congressional Budget Office; to establish a procedure providing congressional control over the impoundment of funds by the executive branch; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLES; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLES.—This Act may be cited as the "Congressional Budget and Impoundment Control Act of 1974." Titles I through IX may be cited as the "Congressional Budget Act of 1974" and title X may be cited as the "Impoundment Control Act of 1974".

(b) TABLE OF CONTENTS.—

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Sec. 101. Budget Committee of the House of Representatives.
Sec. 102. Budget Committee of the Senate.

TITLE II—CONGRESSIONAL BUDGET OFFICE

Sec. 201. Establishment of Office.
Sec. 202. Duties and functions.
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TITLE III—CONGRESSIONAL BUDGET PROCESS

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Sec. 301. Adoption of first concurrent resolution.
Sec. 302. Matters to be included in joint statement of managers; reports by committees.
Sec. 303. First concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, or changes in revenues or public debt limit is considered.

Sec. 304. Permissible revisions of concurrent resolutions on the budget.
Sec. 305. Provisions relating to the consideration of concurrent resolutions on the budget.
Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
Sec. 307. House committee action on all appropriation bills to be completed before first appropriation bill is reported.
Sec. 308. Reports, summaries, and projections of congressional budget actions.
Sec. 309. Completion of action on bills providing new budget authority and certain new spending authority.
Sec. 310. Second required concurrent resolution and reconciliation process.
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TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

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Sec. 402. Reporting of authorizing legislation.
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Sec. 501. Fiscal year to begin October 1.
Sec. 502. Transition to new fiscal year.
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Sec. 504. Conversion of authorizations of appropriations.
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Sec. 506. Technical amendment.

TITLE VI—AMENDMENTS TO BUDGET AND ACCOUNTING ACT, 1921

Sec. 601. Matters to be included in President's budget.
Sec. 602. Midyear review.
Sec. 603. Five-year budget projections.
Sec. 604. Allowances for supplemental budget authority and uncontrollable outlays.
Sec. 605. Budget data based on continuation of existing level of services.
Sec. 606. Study of off-budget agencies.
Sec. 607. Year-ahead requests for authorization of new budget authority.

TITLE VII—PROGRAM REVIEW AND EVALUATION

Sec. 701. Review and evaluation by standing committees.
Sec. 702. Review and evaluation by the Comptroller General.
Sec. 703. Continuing study of additional budget reform proposals.

TITLE VIII—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

Sec. 801. Amendment to Legislative Reorganization Act of 1970.
Sec. 802. Changes in functional categories.

TITLE IX—MISCELLANEOUS PROVISIONS; EFFECTIVE DATES

Sec. 901. Amendments to rules of the House.
Sec. 902. Conforming amendments to standing rules of the Senate.
Sec. 903. Amendments to Legislative Reorganization Act of 1946.

Sec. 904. Exercise of rulemaking powers.
Sec. 905. Effective dates.
Sec. 906. Application of congressional budget process to fiscal year 1976.

TITLE X—IMPOUNDMENT CONTROL

PART A—GENERAL PROVISIONS

Sec. 1001. Disclaimer.
Sec. 1002. Amendment to Antideficiency Act.
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PART B—CONGRESSIONAL CONSIDERATION OF PROPOSED RESCISSIONS, RESERVATIONS, AND DEFERRALS OF BUDGET AUTHORITY

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Sec. 1016. Suits by Comptroller General.
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DECLARATION OF PURPOSE

SEC. 2. The Congress declares that it is essential—

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures;

(3) to provide a system of impoundment control;

(4) to establish national budget priorities; and

(5) to provide for the furnishing of information by the executive branch in a manner that will assist the Congress in discharging its duties.

DEFINITIONS

SEC. 3. (*a*) *IN GENERAL.*—For purposes of this Act—

(1) The terms "budget outlays" and "outlays" mean, with respect to any fiscal year, expenditures and net lending of funds under budget authority during such year.

(2) The term "budget authority" means authority provided by law to enter into obligations which will result in immediate or future outlays involving Government funds, except that such term does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

(3) The term "tax expenditures" means those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a

deferral of tax liability; and the term "tax expenditures budget" means an enumeration of such tax expenditures.

(4) The term "concurrent resolution on the budget" means—

(A) a concurrent resolution setting forth the congressional budget for the United States Government for a fiscal year as provided in section 301;

(B) a concurrent resolution reaffirming or revising the congressional budget for the United States Government for a fiscal year as provided in section 310; and

(C) any other concurrent resolution revising the congressional budget for the United States Government for a fiscal year as described in section 304.

(5) The term "appropriation Act" means an Act referred to in section 105 of title 1, United States Code.

(b) Joint Committee on Atomic Energy.—For purposes of titles II, III, and IV of this Act, the Members of the House of Representatives who are members of the Joint Committee on Atomic Energy shall be treated as a standing committee of the House, and the Members of the Senate who are members of the Joint Committee shall be treated as a standing committee of the Senate.[1]

TITLE I—ESTABLISHMENT OF HOUSE AND SENATE BUDGET COMMITTEES

BUDGET COMMITTEE OF THE HOUSE OF REPRESENTATIVES

Sec. 101. (a) Clause 1 of Rule X of the Rules of the House of Representatives is amended by redesignating paragraphs (e) through (u) as paragraphs (f) through (v), respectively, and by inserting after paragraph (d) the following new paragraph:[2]

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[1] P.L. 95–110 repealed section 3(b) in the original Act which referred to the Joint Committee on Atomic Energy.

[2] Pursuant to changes in House rules, the Committee's membership was increased from 23 to 25 members in the 94th Congress and to 30 members in the 97th Congress. Also, the membership term was amended in the 96th Congress. Therefore, the provision in Rule X, Cl. 5 now reads as follows:

"(e)(1) Committee on the Budget, to consist of thirty Members as follows:

"(A) twenty-eight Members who are members of other standing committees, including five Members who are members of the Committee on Appropriations, and five Members who are members of the Committee on Ways and Means;

"(B) one Member from the leadership of the majority party; and

"(C) one Member from the leadership of the minority party.

No Member other than the representative from the leadership of the majority party and the representative from the leadership of the minority party shall serve as a member of the Committee on the Budget during more than three Congresses in any period of five successive Congresses beginning after 1974 (disregarding for this purpose any service performed as a member of such committee for less than a full session in any Congress), except that an incumbent chairman having served on the committee for three Congresses and having served as chairman of the committee for not more than one Congress shall be eligible for reelection to the committee as chairman for one additional Congress. All selections of Members to serve on the committee shall be made without regard to seniority."

"(e) Committee on the Budget, to consist of twenty-three Members as follows:

"(1) five Members who are members of the Committee on Appropriations;

"(2) five Members who are members of the Committee on Ways and Means;

"(3) eleven Members who are members of other standing committees;

"(4) one Member from the leadership of the majority party; and

"(5) one Member from the leadership of the minority party.

No Member shall serve as a member of the Committee on the Budget during more than two Congresses in any period of five successive Congresses beginning after 1974 (disregarding for this purpose any service performed as a member of such committee for less than a full session in any Congress). All selections of Members to serve on the committee shall be made without regard to seniority."

(b) Rule X of the Rules of the House of Representatives is amended by adding at the end thereof the following new clause:

"6. For carrying out the purposes set forth in clause 5 of Rule XI, the Committee on the Budget or any subcommittee thereof is authorized to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books or papers or documents or vouchers by subpena or otherwise, and to take such testimony and records, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or of any member of the committee designated by him; and may be served by any person designated by such chairman or member. The chairman of the committee, or any member thereof, may administer oaths to witnesses."

(c) Rule XI of the Rules of the House of Representatives is amended by redesignating clauses 5 through 33 as clauses 6 through 34, respectively, and by inserting after clause 4 the following new clause:

"5. Committee on the Budget

"(a) All concurrent resolutions on the budget (as defined in section 3(a)(4) of the Congressional Budget Act of 1974) and other matters required to be referred to the committee under titles III and IV of that Act.

"(b) The committee shall have the duty—

"(1) to report the matters required to be reported by it under titles III and IV of the Congressional Budget Act of 1974;

"(2) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the House on a recurring basis;

"(3) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the House on a recurring basis; and

"(4) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties."

BUDGET COMMITTEE OF THE SENATE

Sec. 102. (a) Paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(r)(1) Committee on the Budget, to which committee shall be referred all concurrent resolutions on the budget (as defined in section 3(a)(4) of the Congressional Budget Act of 1974) and all other matters required to be referred to that committee under titles III and IV of that Act, and messages, petitions, memorials, and other matters relating thereto.

"(2) Such committee shall have the duty—

"(A) to report the matters required to be reported by it under titles III and IV of the Congressional Budget Act of 1974;

"(B) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the Senate on a recurring basis;

"(C) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the Senate on a recurring basis; and

"(D) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties."

(b) The table contained in paragraph 2 of rule XXV of the Standing Rules of the Senate is amended by inserting after—

"Banking, Housing and Urban Affairs---------------------------------- 15"

the following:

"Budget -- 15"[3]

(c) Paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

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[3] Pursuant to changes in Senate rules, the committee's membership was increased from 15 to 22 members in the 96th Congress.

"(h) For purposes of the first sentence of subparagraph (a), membership on the Committee on the Budget shall not be taken into account until that date occurring during the first session of the Ninety-fifth Congress, upon which the appointment of the majority and minority party members of the standing committees of the Senate is initially completed."

(d) Each meeting of the Committee on the Budget of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

(e) Paragraph 7(b) of rule XXV of the Standing Rules of the Senate and section 133A(b) of the Legislative Reorganization Act of 1946 shall not apply to the Committee on the Budget of the Senate.

TITLE II—CONGRESSIONAL BUDGET OFFICE

ESTABLISHMENT OF OFFICE

SEC. 201. (a) IN GENERAL.—

(1) There is established an office of the Congress to be known as the Congressional Budget Office (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director; and there shall be a Deputy Director who shall perform such duties as may be assigned to him by the Director and, during the absence or incapacity of the Director or during a vacancy in that office, shall act as Director.

(2) The Director shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate after considering recommendations received from the Committees on the Budget of the House and the Senate, without regard to political affiliation and solely on the basis of his fitness to perform his duties. The Deputy Director shall be appointed by the Director.

(3) The term of office of the Director first appointed shall expire at noon on January 3, 1979, and the terms of office of Directors subsequently appointed shall expire at noon on January 3 of each fourth year thereafter. Any individual appointed as Director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Director at the expiration of a term may continue to serve until his successor is appointed. Any Deputy Director shall serve until the expiration of the term of office of the Director who appointed him (and until his successor is appointed), unless sooner removed by the Director.

(4) The Director may be removed by either House by resolution.

(5) The Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as in effect from time to time, for level III of the Executive Schedule in section 5314 of title 5, United States Code. The Deputy Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as so in effect, for level IV of the Executive Schedule in section 5315 of such title.

(b) PERSONNEL.—The Director shall appoint and fix the compensation of such personnel as may be necessary to carry out the duties and functions of the Office. All personnel of the Office shall be appointed without regard to political affiliation and solely on the basis of their fitness to perform their duties. The Director may prescribe the duties and responsibilities of the personnel of the Office, and delegate to them authority to perform any of the duties, powers, and functions imposed on the Office or on the Director. For purposes of pay (other than pay of the Director and Deputy Director) and employment benefits, rights, and privileges, all personnel of the Office shall be treated as if they were employees of the House of Representatives.

(c) EXPERTS AND CONSULTANTS.—In carrying out the duties and functions of the Office, the Director may procure the temporary (not to exceed one year) or intermittent services of experts or consultants or organizations thereof by contract as independent contractors, or, in the case of individual experts or consultants, by employment at rates of pay not in excess of the daily equivalent of the highest rate of basic pay payable under the General Schedule of section 5332 of title 5, United States Code.

(d) RELATIONSHIP TO EXECUTIVE BRANCH.—The Director is authorized to secure information, data, estimates, and statistics directly from the various departments, agencies, and establishments of the executive branch of Government and the regulatory agencies and commissions of the Government. All such departments, agencies, establishments, and regulatory agencies and commissions shall furnish the Director any available material which he determines to be necessary in the performance of his duties and functions (other than material the disclosure of which would be a violation of law). The Director is also authorized, upon agreement with the head of any such department, agency, establishment, or regulatory agency or commission, to utilize its services, facilities, and personnel with or without reimbursement; and the head of each such department, agency, establishment, or regulatory agency or commission is authorized to provide the Office such services, facilities, and personnel.

(e) RELATIONSHIP TO OTHER AGENCIES OF CONGRESS.—In carrying out the duties and functions of the Office, and for the purpose of coordinating the operations of the Office with those of other congressional agencies with a view to utilizing most effectively the information, services, and capabilities of all such agencies in carrying out the various responsibilities assigned to each, the Director is authorized to obtain information, data, estimates, and statistics developed by the General Accounting Office, the Library of Congress, and the Office of Technology Assessment, and (upon agreement with them) to utilize their services, facilities, and personnel with or without reimbursement. The Comptroller General, the Librarian of Congress, and the Technology Assessment Board are authorized to provide the Office with the information, data, estimates, and statistics, and the services, facilities, and personnel, referred to in the preceding sentence.

(f) APPROPRIATIONS.—There are authorized to be appropriated to the Office for each fiscal year such sums as may be necessary to enable it to carry out its duties and functions. Until sums are first appropriated pursuant to the preceding sentence, but for a period not exceeding 12 months following the effective date of this subsection, the expenses of the Office shall be paid from the contingent fund of the Senate, in accordance with the paragraph relating to the contingent fund of the Senate under the heading "UNDER LEGISLATIVE" in the Act of October 1, 1888 (28 Stat. 546; 2 U.S.C. 68), and upon vouchers approved by the Director.

DUTIES AND FUNCTIONS

SEC. 202. (a) ASSISTANCE TO BUDGET COMMITTEES.—It shall be the duty and function of the Office to provide to the Committees on the Budget of both Houses information which will assist such committees in the discharge of all matters within their jurisdictions, including (1) information with respect to the budget, appropriation bills, and other bills authorizing or providing budget authority or tax expenditures, (2) information with respect to revenues, receipts, estimated future revenues and receipts, and changing revenue conditions, and (3) such related information as such Committees may request.

(b) ASSISTANCE TO COMMITTEES ON APPROPRIATIONS, WAYS AND MEANS, AND FINANCE.—At the request of the Committee on Appropriations of either House, the Committee on Ways and Means of the House of Representatives, or the Committee on Finance of the Senate, the Office shall provide to such Committee any information which will assist it in the discharge of matters within its jurisdiction, including information described in clauses (1) and (2) of subsection (a) and such related information as the Committee may request.

(c) ASSISTANCE TO OTHER COMMITTEES AND MEMBERS.—

(1) At the request of any other committee of the House of Representatives or the Senate or any joint committee of the Congress, the Office shall provide to such committee or joint committee any information compiled in carrying out clauses (1) and (2) of subsection (a), and, to the extent practicable, such additional information related to the foregoing as may be requested.

(2) At the request of any Member of the House or Senate, the Office shall provide to such Member any information compiled in carrying out clauses (1) and (2) of subsection (a), and, to the

extent available, such additional information related to the foregoing as may be requested.

(d) ASSIGNMENT OF OFFICE PERSONNEL TO COMMITTEES AND JOINT COMMITTEES.—At the request of the Committee on the Budget of either House, personnel of the Office shall be assigned, on a temporary basis, to assist such committee. At the request of any other committee of either House or any joint committee of the Congress, personnel of the Office may be assigned, on a temporary basis, to assist such committee or joint committee with respect to matters directly related to the applicable provisions of subsection (b) or (c).

(e) TRANSFER OF FUNCTIONS OF JOINT COMMITTEE ON REDUCTION OF FEDERAL EXPENDITURES.—

(1) The duties, functions, and personnel of the Joint Committee on Reduction of Federal Expenditures are transferred to the Office, and the Joint Committee is abolished.

(2) Section 601 of the Revenue Act of 1941 (55 Stat. 726) is repealed.

(f) REPORTS TO BUDGET COMMITTEES.—

(1) On or before April 1 of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report, for the fiscal year commencing on October 1 of that year, with respect to fiscal policy, including (A) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits), and (B) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year. Such report shall also include a discussion of national budget priorities, including alternative ways of allocating budget authority and budget outlays for such fiscal year among major programs or functional categories, taking into account how such alternative allocations will meet major national needs and affect balanced growth and development of the United States.

(2) The Director shall from time to time submit to the Committees on the Budget of the House of Representatives and the Senate such further reports (including reports revising the report required by paragraph (1)) as may be necessary or appropriate to provide such Committees with information, data, and analyses for the performance of their duties and functions.

(g) USE OF COMPUTERS AND OTHER TECHNIQUES.—The Director may equip the Office with up-to-date computer capability (upon approval of the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate), obtain the services of experts and consultants in computer technology, and develop techniques for the evaluation of budgetary requirements.

PUBLIC ACCESS TO BUDGET DATA

SEC. 203. (a) RIGHT TO COPY.—Except as provided in subsections (c) and (d), the Director shall make all information, data, estimates, and statistics obtained under sections 201(d) and 201(e) available for public copying during normal business hours, subject to reasonable rules and regulations, and shall to the extent practicable, at the request of any person, furnish a copy of any such information, data, estimates, or statistics upon payment by such person of the cost of making and furnishing such copy.

(b) INDEX.—The Director shall develop and maintain filing, coding, and indexing systems that identify the information, data, estimates, and statistics to which subsection (a) applies and shall make such systems available for public use during normal business hours.

(c) EXCEPTIONS.—Subsection (a) shall not apply to information, data, estimates, and statistics—

(1) which are specifically exempted from disclosure by law; or

(2) which the Director determines will disclose—

(A) matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) information relating to trade secrets or financial or commercial information pertaining specifically to a given person if the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(C) personnel or medical data or similar data the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

unless the portions containing such matters, information, or data have been excised.

(d) INFORMATION OBTAINED FOR COMMITTEES AND MEMBERS.—Subsection (a) shall apply to any information, data, estimates, and statistics obtained at the request of any committee, joint committee, or Member unless such committee, joint committee, or Member has instructed the Director not to make such information, data, estimates, or statistics available for public copying.

TITLE III—CONGRESSIONAL BUDGET PROCESS

TIMETABLE

SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

On or before:	*Action to be completed:*
November 10	President submits current services budget.
15th day after Congress meets	President submits his budget.
March 15	Committees and joint committees submit reports to Budget Committees.
April 1	Congressional Budget Office submits report to Budget Committees.
April 15	Budget Committees report first concurrent resolution on the budget to their Houses.
May 15	Committees report bills and resolutions authorizing new budget authority.
May 15	Congress completes action on first concurrent resolution on the budget.
7th day after Labor Day	Congress completes action on bills and resolutions providing new budget authority and new spending authority.
September 15	Congress completes action on second required concurrent resolution on the budget.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
October 1	Fiscal year begins.

ADOPTION OF FIRST CONCURRENT RESOLUTION

SEC. 301. (a) ACTION TO BE COMPLETED BY MAY 15.—On or before May 15 of each year, the Congress shall complete action on the first concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. The concurrent resolution shall set forth—

(1) the appropriate level of total budget outlays and of total new budget authority;

(2) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions, based on allocations of the appropriate level of total budget outlays and of total new budget authority.

(3) the amount, if any, of the surplus or the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors;

(4) the recommended level of Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should

be increased or decreased by bills and resolutions to be reported by the appropriate committees;

(5) the appropriate level of the public debt, and amount, if any, by which the statutory limit on the public debt should be increased or decreased by bills and resolutions to be reported by the appropriate committees; and

(6) if required by subsection (e), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved; and [4]

(7) such other matters relating to the budget as may be appropriate to carry out the purposes of this Act.

(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The first concurrent resolution on the budget may also require—

(1) a procedure under which all or certain bills and resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) for such fiscal year shall not be enrolled until the concurrent resolution required to be reported under section 310(a) has been agreed to, and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both; and

(2) any other procedure which is considered appropriate to carry out the purposes of this Act.

Not later than the close of the Ninety-fifth Congress, the Committee on the Budget of each House shall report to its House on the implementation of procedures described in this subsection.

(c) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—On or before March 15 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House, each standing committee of the Senate shall submit to the Committee on the Budget of the Senate, and the Joint Economic Committee and Joint Committee on Internal Revenue Taxation shall submit to the Committees on the Budget of both Houses—

(1) its views and estimates with respect to all matters set forth in subsection (a) which relate to matters within the respective jurisdiction or functions of such committee or joint committee; and

(2) except in the case of such joint committees, the estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within the jurisdiction of such committee which such

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[4] This section was added by Public Law 95–523; 92 Stat. 1905; Oct. 27, 1978.

committee intends to be effective during the fiscal year beginning on October 1 of such year.

The Joint Economic Committee shall also submit to the Committees on the Budget of both Houses, its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (c) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, and on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending.[5] Any other committee of the House or Senate may submit to the Committee on the Budget of its House, and any other joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsection (a) which relate to matters within its jurisdiction or functions.

(d) HEARINGS AND REPORT.—In developing the first concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. On or before April 15 of each year, the Committee on the Budget of each House shall report to its House the first concurrent resolution on the budget referred to in subsection (a) for the fiscal year beginning on October 1 of such year. The report accompanying such concurrent resolution shall include, but not be limited to—

(1) a comparison of revenues estimated by the committee with those estimated in the budget submitted by the President;

(2) a comparison of the appropriate levels of total budget outlays and total new budget authority, as set forth in such concurrent resolution, with total budget outlays estimated and total new budget authority requested in the budget submitted by the President;

(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for

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[5] This sentence was added by section 301(a) of Public Law 95–523; 92 Stat. 1955; Oct. 27, 1978.

existing programs being divided between permanent authority and funds provided in appropriation Acts, and each such division being subdivided between controllable amounts and all other amounts;

(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and alternative economic assumptions and objectives which the committee considered;

(6) projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget outlays, total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments; and

(8) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution, and the relationship of such matters to other budget categories.

(e) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

(1) If, pursuant to section 4(c) of the Employment Act of 1946, as amended, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the first concurrent resolution on the budget for fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of Congress, such goals can be achieved.

(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946, as amended, can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or its most recent action pursuant to this paragraph,

the first concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

(3) It shall be in order to amend the provision of such resolution setting forth such year only if the amendment thereto also proposes to alter the estimates, amounts and levels (as described in section 301(a)) set forth in such resolution in germane fashion in order to be consistent with the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which such amendment proposes can be achieved by the year specified in such amendment.[6]

MATTERS TO BE INCLUDED IN JOINT STATEMENT OF MANAGERS; REPORTS BY COMMITTEES

SEC. 302. (a) ALLOCATION OF TOTALS.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated allocation, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of total budget outlays and total new budget authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new budget authority.

(b) REPORTS BY COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to—

(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, (A) subdivide among its subcommittees the allocation of budget outlays and new budget authority allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution, and (B) further subdivide the amount with respect to each such subcommittee between controllable amounts and all other amounts; and

(2) every other committee of the House and Senate to which an allocation was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made, (A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction, and (B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

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[6] Amended by sections 303(a) and 304 of Public Law 95–523; 92 Stat. 1905, 1906; Oct. 27, 1978.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection.

(c) Subsequent Concurrent Resolutions.—In the case of a concurrent resolution on the budget referred to in section 304 or 310, the allocation under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

FIRST CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, OR CHANGES IN REVENUES OR PUBLIC DEBT LIMIT IS CONSIDERED

Sec. 303. (a) In General.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides—

(1) new budget authority for a fiscal year;

(2) an increase or decrease in revenues to become effective during a fiscal year;

(3) an increase or decrease in the public debt limit to become effective during a fiscal year; or

(4) new spending authority described in section 401(c)(2)(C) to become effective during a fiscal year;

until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301.

(b) Exceptions.—Subsection (a) does not apply to any bill or resolution—

(1) providing new budget authority which first becomes available in a fiscal year following the fiscal year to which the concurrent resolution applies; or

(2) increasing or decreasing revenues which first become effective in a fiscal year following the fiscal year to which the concurrent resolution applies.

(c) Waiver in the Senate.—

(1) The committee of the Senate which reports any bill or resolution to which subsection (a) applies may at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in

session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between. and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to the bill or resolution to which the resolution so agreed to applies.

PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS OF THE BUDGET

SEC. 304. At any time after the first concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the concurrent resolution on the budget for such fiscal year most recently agreed to.

PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET

SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.[7]—

(1) When the Committee on the Budget of the House has reported any concurrent resolution on the budget, it is in order at

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[7] The Full Employment and Balanced Growth Act of 1978 (Pub. L. 95–523, sec. 303(b)) amended this subsection by adding subparagraphs 305(a) (3) and (4), and making conforming changes, relating to debate and amendments on economic goals and policies during consideration of the first concurrent resolution on the budget in the House (a similar addition was made in sec. 305(b) (3) and (4) relating to Senate procedure).

any time after the tenth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution has been available to Members of the House (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution.[9] The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, plus such additional hours of debate as are consumed pursuant to paragraph (3). A motion further to limit debate is not debatable. A motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

(3) Following the presentation of opening statements on the first concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

(6) (sic)* Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be read for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back

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[9] House Rule XI, cl. 2(1)(6) modifies the layover period of reports on budget resolution as follows:

"A measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business), shall not be considered in the House until the third calendar day (or the tenth calendar day in the case of a concurrent resolution on the budget), excluding Saturdays, Sundays, and the legal holidays on which the report of that committee upon that measure or matter has been available to the Members of the House."

(House Rules and Manual, 97th Congress, House Doc. 96-398, p. 412–413.)

*The amendments to this section made by P.L. 95-523, the Full Employment and Balanced Growth Act of 1978, resulted in the misnumbering of this section.

to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendmendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

(7) Debate in the House of Representatives on the conference report or any concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(8) Motions to postpone, made with respect to the consideration of any concurrent resolution on the budget, and motions to proceed to the consideration of other business, shall be decided without debate.

(9) Appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—

(1) Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that, with respect to the second required concurrent resolution referred to in section 310(a), all such debate shall be limited to not more than 15 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such concurrent resolution shall be received. Such leaders, or either of

them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) Following the presentation of opening statements on the first concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic policies.

(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the Senate sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946), which the estimates, amounts, and level (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

(6) (sic)* A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

(7) Notwithstanding any other rule, an amendment, or series of amendments, to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

(c) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

(1) The conference report on any concurrent resolution on the budget shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(2) During the consideration in the Senate of the conference report on any concurrent resolution on the budget, debate shall be limited to 10 hours, to be equally divided between, and controlled

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* The amendments to this section made by P.L. 95-523, The Full Employment and Balanced Growth Act of 1978, resulted in the misnumbering of this section.

by the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(3) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(4) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

(d) REQUIRED ACTION BY CONFERENCE COMMITTEE.—If, at the end of 7 days (excluding Saturdays, Sundays, and legal holidays) after the conferees of both Houses have been appointed to a committee of conference on a concurrent resolution on the budget, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, then the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session—

(1) a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed; or

(2) a conference report in disagreement, if the matter in disagreement is an amendment which strikes out the entire text of the concurrent resolution and inserts a substitute text.

(e) CONCURRENT RESOLUTION MUST BE CONSISTENT IN THE SENATE.—It shall not be in order in the Senate to vote on the question of agreeing to—

(1) a concurrent resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

(2) a conference report on a concurrent resolution on the budget

unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

LEGISLATION DEALING WITH CONGRESSIONAL BUDGET MUST BE HANDLED BY BUDGET COMMITTEES

SEC. 306. No bill or resolution, and no amendment to any bill or resolution, dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BEFORE FIRST APPROPRIATION BILL IS REPORTED

SEC. 307. Prior to reporting the first regular appropriation bill for each fiscal year, the Committee on Appropriations of the House of Representatives shall, to the extent practicable, complete subcommittee markup and full committee action on all regular appropriation bills for that year and submit to the House a summary report comparing the committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

SEC. 308. (a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY OR TAX EXPENDITURES.—Whenever a committee of either House reports a bill or resolution to its House providing new budget authority (other than continuing appropriations) or new or increased tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director of the Congressional Budget Office, detailing—

(1) In the case of a bill or resolution providing new budget authority—

(A) how the new budget authority provided in that bill or resolution compares with the new budget authority set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302;

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of budget outlays, associated with the budget authority provided in that bill or resolution, in each fiscal year in such period; and

(C) the new budget authority, and budget outlays resulting therefrom, provided by that bill or resolution for financial assistance to State and local governments; and

(2) in the case of a bill or resolution providing new or increased tax expenditures—

(A) how the new or increased tax expenditures provided in that bill or resolution will affect the levels of tax expenditures under existing law as set forth in the report accompanying the first concurrent resolution on the budget for such fiscal year, or, if a report accompanying a subsequently agreed to concurrent resolution for such year sets forth such levels, then as set forth in that report; and

(B) a projection for the period of 5 fiscal years beginning with such fiscal year of the tax expenditures which will result from that bill or resolution in each fiscal year in such period.

COMPLETION OF ACTION ON BILLS PROVIDING NEW BUDGET AUTHORITY AND CERTAIN NEW SPENDING AUTHORITY

SEC. 309. Except as otherwise provided pursuant to this title, not later than the seventh day after Labor Day of each year, the Congress shall complete action on all bills and resolutions—

(1) providing new budget authority for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions, and other than the reconciliation bill for such year, if required to be reported under section 310(c); and

(2) providing new spending authority described in section 401 (c)(2)(C) which is to become effective during such fiscal year.

Paragraph (1) shall not apply to any bill or resolution if legislation authorizing the enactment of new budget authority to be provided in such bill or resolution has not been timely enacted.

SECOND REQUIRED CONCURRENT RESOLUTION AND RECONCILIATION PROCESS

SEC. 310. (a) REPORTING OF CONCURRENT RESOLUTION.—The Committee on the Budget of each House shall report to its House a concurrent resolution on the budget which reaffirms or revises the concurrent resolution on the budget most recently agreed to with respect to the fiscal year beginning on October 1 of such year. Any such concurrent resolution on the budget shall also, to the extent necessary—

(1) specify the total amount by which—

(A) new budget authority for such fiscal year;

(B) budget authority initially provided for prior fiscal years; and

(C) new spending authority described in section 401(c)(2)(C) which is to become effective during such fiscal year,

contained in laws, bills, and resolutions within the jurisdiction of a committee, is to be changed and direct that committee to determine and recommend changes to accomplish a change of such total amount;

(2) specify the total amount by which revenues are to be changed and direct that the committees having jurisdiction to determine and recommend changes in the revenue laws, bills, and resolutions to accomplish a change of such total amount;

(3) specify the amount by which the statutory limit on the public debt is to be changed and direct the committees having jurisdiction to recommend such change; or

(4) specify and direct any combination of the matters described in paragraphs (1), (2), and (3).

Any such concurrent resolution may be reported, and the report accompanying it may be filed, in either House notwithstanding that that House is not in session on the day on which such concurrent resolution is reported.

(b) COMPLETION OF ACTION ON CONCURRENT RESOLUTION.—Not later than September 15 of each year, the Congress shall complete action on the concurrent resolution on the budget referred to in subsection (a).

(c) RECONCILIATION PROCESS.—If a concurrent resolution is agreed to in accordance with subsection (a) containing directions to one or more committees to determine and recommend changes in laws, bills, or resolutions, and—

(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House a reconciliation bill or reconciliation resolution, or both, containing such recommendations; or

(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations, whether such changes are to be contained in a reconciliation bill or reconciliation resolution, and submit such recommendations to the Committee on the Budget of its House, which upon receiving all such recommendations, shall report to its House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revision.

For purposes of this subsection, a reconciliation resolution is a concurrent resolution directing the Clerk of the House of Representatives or the Secretary of the Senate, as the case may be, to make specified changes in bills and resolutions which have not been enrolled.

(d) COMPLETION OF RECONCILIATION PROCESS.—Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (c) not later than September 25 of each year.

(e) PROCEDURE IN THE SENATE.—

(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills and reconciliation resolutions reported under subsection (c) and conference reports thereon.

(2) Debate in the Senate on any reconciliation bill or resolution reported under subsection (c), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

(f) CONGRESS MAY NOT ADJOURN UNTIL ACTION IS COMPLETED.—It shall not be in order in either the House of Representatives or the Senate to consider any resolution providing for the adjournment sine die of either House unless action has been completed on the concurrent resolution on the budget required to be reported under subsection (a) for the fiscal year beginning on October 1 of such year, and, if a reconciliation bill or resolution, or both, is required to be reported under subsection (c) for such fiscal year, unless the Congress has completed action on that bill or resolution, or both.

NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for a fiscal year, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either House of Representatives or the Senate to consider any bill, resolution, or amendment providing additional new budget authority for such fiscal year, providing new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, or reducing revenues for such fiscal year, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new budget authority or total budget outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of revenues set forth in such concurrent resolution.

(b) DETERMINATION OF OUTLAYS AND REVENUES.—For purposes of subsection (a), the budget outlays to be made during a fiscal year and revenues to be received during a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

BILLS PROVIDING NEW SPENDING AUTHORITY

SEC. 401. (a) LEGISLATION PROVIDING CONTRACT OR BORROWING AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(b) LEGISLATION PROVIDING ENTITLEMENT AUTHORITY.—

(1) It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(C) (or any amendment which provides such new spending authority) which is to become effective before the first day of the fiscal year which begins during the calendar year in which such bill or resolution is reported.

(2) If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new spending authority described in subsection (c)(2)(C) which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on

the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within 15 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations of either House fails to report a bill or resolution referred to it under this paragraph within such 15-day period, the committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

(3) The Committee on Appropriations of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (2) with an amendment which limits the total amount of new spending authority provided in such bill or resolution.

(c) DEFINITIONS.—

(1) For purposes of this section, the term "new spending authority" means spending authority not provided by law on the effective date of this section, including any increase in or addition to spending authority provided by law on such date.

(2) For purposes of paragraph (1), the term "spending authority" means authority (whether temporary or permanent)—

(A) to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts;

(B) to incur indebtedness (other than indebtedness incurred under the Second Liberty Bond Act) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts; and

(C) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law.

Such term does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

(d) EXCEPTIONS.—

(1) Subsections (a) and (b) shall not apply to new spending authority if the budget authority for outlays which will result from such new spending authority is derived—

(A) from a trust fund established by the Social Security Act (as in effect on the date of the enactment of this Act); or

(B) from any other trust fund, 90 percent or more of the receipts of which consist or will consist of amounts (transferred from the general fund of the Treasury) equivalent to amounts of taxes (related to the purposes for which such outlays are or will be made) received in the Treasury under specified provisions of the Internal Revenue Code of 1954.

(2) Subsections (a) and (b) shall not apply to new spending authority which is an amendment to or extension of the State and Local Fiscal Assistance Act of 1972, or a continuation of the program of fiscal assistance to State and local governments provided by that Act, to the extent so provided in the bill or resolution providing such authority.

(3) Subsections (a) and (b) shall not apply to new spending authority to the extent that—

(A) the outlays resulting therefrom are made by an organization which is (i) a mixed-ownership Government corporation (as defined in section 201 of the Government Corporation Control Act), or (ii) a wholly owned Government corporation (as defined in section 101 of such Act) which is specifically exempted by law from compliance with any or all of the provisions of that Act; or

(B) the outlays resulting therefrom consist exclusively of the proceeds of gifts or bequests made to the United States for a specific purpose.

REPORTING OF AUTHORIZING LEGISLATION

SEC. 402. (a) **REQUIRED REPORTING DATE.**—Except as otherwise provided in this section, it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

(b) **EMERGENCY WAIVER IN THE HOUSE.**—If the Committee on Rules of the House of Representatives determines that emergency conditions require a waiver of subsection (a) with respect to any bill or resolution, such committee may report, and the House may consider and adopt, a resolution waiving the application of subsection (a) in the case of such bill or resolution.

(c) **WAIVER IN THE SENATE.**—

(1) The committee of the Senate which reports any bill or resolution may, at or after the time it reports such bill or resolu-

tion, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate, within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees, and the time on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to that bill or resolution referred to in the resolution.

(d) CERTAIN BILLS AND RESOLUTIONS RECEIVED FROM OTHER HOUSE.—Notwithstanding the provisions of subsection (a), if under that subsection it is in order in the House of Representatives to consider a bill or resolution of the House, then it shall be in order to consider a companion or similar bill or resolution of the Senate; and if under that subsection it is in order in the Senate to consider a bill or resolution of the Senate, then it shall be in order to consider a companion or similar bill of the House of Representatives.

(e) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to new spending authority described in section 401(c)(2)(C).

(2) Subsection (a) shall not apply with respect to new budget authority authorized in a bill or resolution for any provision of

the Social Security Act if such bill or resolution also provides new spending authority described in section 401(c)(2)(C) which, under section 401(d)(1)(A), is excluded from the application of section 401(b).

(f) STUDY OF EXISTING SPENDING AUTHORITY AND PERMANENT APPROPRIATIONS.—The Committee on Appropriations of the House of Representatives and the Senate shall study on a continuing basis those provisions of law, in effect on the effective date of this section, which provide spending authority or permanent budget authority. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.

ANALYSIS BY CONGRESSIONAL BUDGET OFFICE

SEC. 403. (a) The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

(1) an estimate of the costs which would be incurred in carrying out such bill or resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate;

(2) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with any significant bill or resolution in the fiscal year in which it is to become effective and in each of the four fiscal years following such fiscal year, together with the basis for each such estimate; and

(3) a comparison of the estimates of costs described in paragraphs (1) and (2), with any available estimates of costs made by such committee or by any Federal agency.

The estimates and comparison so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

(b) For purposes of subsection (a)(2), the term "local government" has the same meaning as in section 103 of the Intergovernmental Cooperation Act of 1968.

(c) For purposes of subsection (a)(2), the term "significant bill or resolution" is defined as any bill or resolution which in the judgment of the Director of the Congressional Budget Office is likely to result in an annual cost to State and local governments of $200,000,000 or more, or is likely to have exceptional fiscal consequences for a geographic region or a particular level of government.[9]

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[9] P.L. 97-108 amended Section 403 by adding Sections 403(a)(2), 403(b) and 403(c). The amendments apply to all bills or resolutions reported by committees of the House or Senate after September 30, 1982.

JURISDICTION OF APPROPRIATIONS COMMITTEES

SEC. 404. (a) AMENDMENT OF HOUSE RULES.—Clause 2 of rule XI of the Rules of the House of Representatives is amended by redesignating paragraph (b) as paragraph (e) and by inserting after paragraph (a) the following new paragraphs:

"(b) Rescission of appropriations contained in appropriation Acts (referred to in section 105 of title 1, United States Code).

"(c) The amount of new spending authority described in section 401(c)(2) (A) and (B) of the Congressional Budget Act of 1974 which is to be effective for a fiscal year.

"(d) New spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 provided in bills and resolutions referred to the committee under section 401(b)(2) of that Act (but subject to the provisions of section 401(b)(3) of that Act)."

(b) AMENDMENT OF SENATE RULES.—Subparagraph (c) of paragraph 1 of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(c) Committee on Appropriations, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Except as provided in subparagraph (r), appropriation of the revenue for the support of the Government.

"2. Rescission of appropriations contained in appropriation Acts (referred to in section 105 of title 1, United States Code).

"3. The amount of new spending authority described in section 401 (c)(2) (A) and (B) of the Congressional Budget Act of 1974 provided in bills and resolutions referred to the committee under section 401(b)(2) of that Act (but subject to the provisions of section 401 (b)(3) of that Act).

"4. New advance spending authority described in section 401(c) (2)(C) of the Congressional Budget Act of 1974 provided in bills and resolutions referred to the committee under section 401(b)(2) of that Act (but subject to the provisions of section 401(b)(3) of that Act)."

TITLE V—CHANGE OF FISCAL YEAR[10]

FISCAL YEAR TO BEGIN OCTOBER 1

SEC. 501. Section 237 of the Revised Statutes (31 U.S.C. 1020) is amended to read as follows:

"SEC. 237. (a) The fiscal year of the Treasury of the United States, in all matters of accounts, receipts, expenditures, estimates, and appropriations—

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[10] **P.L. 97-258 repealed sections 501-504 in the original Act which referred to changing** the fiscal year from July through June to October through September. Section 501 of the Act was codified in Title 31, United States Code, in section 1102. Section 503 of the Act was codified in Title 31, United States Code, in section 1552.

"(1) shall, through June 30, 1976, commence on July 1 of each year and end on June 30 of the following year; and

"(2) shall, beginning on October 1, 1976, commence on October 1 of each year and end on September 30 of the following year.

"(b) All accounts of receipts and expenditures required by law to be published annually shall be prepared and published for each fiscal year as established by subsection (a)."

TRANSITION TO NEW FISCAL YEAR

Sec. 502. (a) As soon as practicable, the President shall prepare and submit to the Congress—

(1) after consultation with the Committees on Appropriations of the House of Representatives and the Senate, budget estimates for the United States Government for the period commencing July 1, 1976, and ending on September 30, 1976, in such form and detail as he may determine; and

(2) proposed legislation he considers appropriate with respect to changes in law necessary to provide authorizations of appropriations for that period.

(b) The Director of the Office of Management and Budget shall provide by regulation, order, or otherwise for the orderly transition by all departments, agencies, and instrumentalities of the United States Government and the government of the District of Columbia from the use of the fiscal year in effect on the date of enactment of this Act to the use of the new fiscal year prescribed by section 237 (a)(2) of the Revised Statutes. The Director shall prepare and submit to the Congress such additional proposed legislation as he considers necessary to accomplish this objective.

(c) The Director of the Office of Management and Budget and the Director of the Congressional Budget Office jointly shall conduct a study of the feasibility and advisability of submitting the Budget or portions thereof, and enacting new budget authority or portions thereof, for a fiscal year during the regular session of the Congress which begins in the year preceding the year in which such fiscal year begins. The Director of the Office of Management and Budget and the Director of the Congressional Budget Office each shall submit a report of the results of the study conducted by them, together with his own conclusions and recommendations, to the Congress not later than 2 years after the effective date of this subsection.

ACCOUNTING PROCEDURES

Sec. 503. (a) Subsection (a)(1) of the first section of the Act entitled "An Act to simplify accounting, facilitate the payment of *obligations, and for other purposes", approved July 25, 1956, as amended (31 U.S.C. 701), is amended to read as follows:*

"(1) The obligated balance shall be transferred, at the time specified in subsection (b)(1) of this section, to an appropriation account of the agency or subdivision thereof responsible for the liquidation of the obligation, in which account shall be merged the amounts so transferred from all appropriation accounts for the same general purposes; and".

(b) Subsection (b) of such section is amended to read as follows:

"(b) (1) Any obligated balance referred to in subsection (a)(1) of this section shall be transferred as follows:

"(A) for any fiscal year or years ending on or before June 30, 1976, on that June 30 which falls in the first month of June which occurs twenty-four months after the end of such fiscal year or years; and

"(B) for the period commencing on July 1, 1976, and ending on September 30, 1976, and for any fiscal year commencing on or after October 1, 1976, on September 30 of the second fiscal year following that period or the fiscal year or years, as the case may be, for which the appropriation is available for obligation.

"(2) The withdrawals required by subsection (a)(2) of this section shall be made—

"(A) for any fiscal year ending on or before June 30, 1976, not later than September 30 of the fiscal year immediately following the fiscal year in which the period of availability for obligation expires; and

"(B) for the period commencing on July 1, 1976, and ending on September 30, 1976, and for any fiscal year commencing on or after October 1, 1976, not later than November 15 following such period or fiscal year, as the case may be, in which the period of availability for obligation expires."

CONVERSION OF AUTHORIZATION OF APPROPRIATIONS

Sec. 504. Any law providing for an authorization of appropriations commencing on July 1 of a year shall, if that year is any year after 1975, be considered as meaning October 1 of that year. Any law providing for an authorization of appropriations ending on June 30 of a year shall, if that year is any year after 1976, be considered as meaning September 30 of that year. Any law providing for an authorization of appropriations for the fiscal year 1977 or any fiscal year thereafter shall be construed as referring to that fiscal year ending on September 30 of the calendar year having the same calendar year number as the fiscal year number.

REPEALS

Sec. 505. The following provisions of law are repealed:

(1) the ninth paragraph under the headings "Legislative Establishment", "Senate", of the Deficiency Appropriation Act, fiscal year 1934 (48 Stat. 1022; 2 U.S.C. 66); and

(2) the proviso to the second paragraph under the headings "House of Representatives", "Salaries, Mileage, and Expenses of Members", of the Legislative-Judiciary Appropriation Act, 1955 (68 Stat. 400; 2 U.S.C. 81).

TECHNICAL AMENDMENT

Sec. 506. (a) Section 105 of title 1, United States Code, is amended by striking out "June 30" and inserting in lieu thereof "September 30".

(b) The provisions of subsection (a) of this section shall be effective with respect to Acts making appropriations for the support of the Government for any fiscal year commencing on or after October 1, 1976.

TITLE VI—AMENDMENTS TO BUDGET AND ACCOUNTING ACT, 1921[11]

MATTERS TO BE INCLUDED IN PRESIDENT'S BUDGET

Sec. 601. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by adding at the end thereof the following new subsections:

"(d) The Budget transmitted pursuant to subsection (a) for each fiscal year shall set forth separately the items enumerated in section 301(a)(1)-(5) of the Congresssional Budget Act of 1974.

"(e) The Budget transmitted pursuant to subsection (a) for each fiscal year shall set forth the levels of tax expenditures under existing law for such fiscal year (the tax expenditure budget), taking into account projected economic factors, and any changes in such existing levels based on proposals contained in such Budget. For purposes of this subsection, the terms 'tax expenditures' and 'tax expenditures budget' have the meanings given to them by section 3(a)(3) of the Congressional Budget Act of 1974.

"(f) The Budget transmitted pursuant to subsection (a) for each fiscal year shall contain—

"(1) a comparison, for the last completed fiscal year, of the total amount of outlays estimated in the Budget transmitted pursuant to subsection (a) for each major program involving uncontrollable or relatively uncontrollable outlays and the total amount of outlays made under each such major program during such fiscal year;

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[11] P.L. 97-258 repealed sections 601-605 and 607 in the original act which referred to the contents of the President's budget submissions to Congress. Those sections were reenacted in P.L. 97-258 and codified in Title 31, United States Code in sections 1105, 1106, and 1108-1110.

"(2) a comparison, for the last completed fiscal year, of the total amount of revenues estimated in the Budget transmitted pursuant to subsection (a) and the total amount of revenues received during such year, and with respect to each major revenue source, the amount of revenues estimated in the Budget transmitted pursuant to subsection (a) and the amount of revenues received during such year; and

"(3) an analysis and explanation of the difference between each amount set forth pursuant to paragraphs (1) and (2) as the amount of outlays or revenues estimated in the Budget submitted under subsection (a) for such fiscal year and the corresponding amount set forth as the amount of outlays made or revenues received during such fiscal year.

"(g) The President shall transmit to the Congress, on or before April 10 and July 15 of each year, a statement of all amendments to or revisions in the budget authority requested, the estimated outlays, and the estimated receipts for the ensuing fiscal year set forth in the Budget transmitted pursuant to subsection (a) (including any previous amendments or revisions proposed on behalf of the executive branch) that he deems necessary and appropriate based on the most current information available. Such statement shall contain the effect of such amendments and revisions on the summary data submitted under subsection (a) and shall include such supporting detail as is practicable. The statement transmitted on or before July 15 of any year may be included in the supplemental summary required to be transmitted under subsection (b) during such year. The Budget transmitted to the Congress pursuant to subsection (a) for any fiscal year, or the supporting detail transmitted in connection therewith, shall include a statement of all such amendments and revisions with respect to the fiscal year in progress made before the date of transmission of such Budget.

"(h) The Budget transmitted pursuant to subsection (a) for each fiscal year shall include information with respect to estimates of appropriations for the next succeeding fiscal year for grants, contracts, or other payments under any program for which there is an authorization of appropriations for such succeeding fiscal year and such appropriations are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year in which the appropriation is to be available for obligation.

"(i) The Budget transmitted pursuant to subsection (a) for each fiscal year, beginning with the fiscal year ending September 30, 1979, shall contain a presentation of budget authority, proposed budget

authority, outlays, proposed outlays, and descriptive information in terms of—

"(1) a detailed structure of national needs which shall be used to reference all agency missions and programs;

"(2) agency missions; and

"(3) basic programs.

To the extent practicable, each agency shall furnish information in support of its budget requests in accordance with its assigned missions in terms of Federal functions and subfunctions, including mission responsibilities of component organizations, and shall relate its programs to agency missions."

MIDYEAR REVIEW

SEC. 602. Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended by striking out "on or before June 1, of each year, beginning with 1972" and inserting in lieu thereof "on or before July 15 of each year".

FIVE-YEAR BUDGET PROJECTIONS

SEC. 603. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) by inserting after "ensuing fiscal year" in paragraph (5) "and projections for the four fiscal years immediately following the ensuing fiscal year";

(2) by striking out "such year" in paragraph (5) and inserting in lieu thereof "such years"; and

(3) by inserting after "ensuing fiscal year" in paragraph (6) "and projections for the four fiscal years immediately following the ensuing fiscal year".

ALLOWANCES FOR SUPPLEMENTAL BUDGET AUTHORITY AND UNCONTROLLABLE OUTLAYS

SEC. 604. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is further amended—

(1) by striking out "and" at the end of paragraph (11):

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(13) an allowance for additional estimated expenditures and proposed appropriations for the ensuing fiscal year, and an allowance for unanticipated uncontrollable expenditures for the ensuing fiscal year."

BUDGET DATA BASED ON CONTINUATION OF EXISTING LEVEL OF SERVICES

Sec. 605. (a) On or before November 10 of each year (beginning with 1975), the President shall submit to the Senate and the House of Representatives the estimated outlays and proposed budget authority which would be included in the Budget to be submitted pursuant to section 201 of the Budget and Accounting Act, 1921, for the ensuing fiscal year if all programs and activities were carried on during such ensuing fiscal year at the same level as the fiscal year in progress and without policy changes in such programs and activities. The estimated outlays and proposed budget authority submitted pursuant to this section shall be shown by function and subfunctions (in accordance with the classifications in the budget summary table entitled "Budget Authority and Outlays by Function and Agency"), by major programs within each such function, and by agency. Accompanying these estimates shall be the economic and programmatic assumptions underlying the estimated outlays and proposed budget authority, such as the rate of inflation, the rate of real economic growth, the unemployment rate, program caseloads, and pay increases.

(b) The Joint Economic Committee shall review the estimated outlays and proposed budget authority so submitted, and shall submit to the Committees on the Budget of both Houses an economic evaluation thereof on or before December 31 of each year.

STUDY OF OFF-BUDGET AGENCIES

Sec. 606. The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis those provisions of law which exempt agencies of the Federal Government, or any of their activities or outlays, from inclusion in the Budget of the United States Government transmitted by the President under section 201 of the Budget and Accounting Act, 1921. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.

YEAR-AHEAD REQUESTS FOR AUTHORIZATION OF NEW BUDGET AUTHORITY

Sec. 607. Notwithstanding any other provision of law, any request for the enactment of legislation authorizing the enactment of new budget authority to continue a program or activity for a fiscal year (beginning with the fiscal year commencing October 1, 1976) shall be submitted to the Congress not later than May 15 of the year preceding the year in which such fiscal year begins. In the case of a request for the enactment of legislation authorizing the enactment of new budget authority for a new program or activity which is to continue for more than one fiscal year, such request shall be submitted for at least the first 2 fiscal years.

TITLE VII—PROGRAM REVIEW AND EVALUATION

REVIEW AND EVALUATION BY STANDING COMMITTEES

Sec. 701. Section 136(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190d) is amended by adding at the end thereof the following new sentences: "Such committees may carry out the required analysis, appraisal, and evaluation themselves, or by contract, or may require a Government agency to do so and furnish a report thereon to the Congress. Such committees may rely on such techniques as pilot testing, analysis of costs in comparison with benefits, or provision for evaluation after a defined period of time." [12]

REVIEW AND EVALUATION BY THE COMPTROLLER GENERAL

Sec. 702. (a) Section 204 of the Legislative Reorganization Act of 1970 (31 U.S.C. 1154) is amended to read as follows:

"REVIEW AND EVALUATION

"Sec. 204. (a) The Comptroller General shall review and evaluate the results of Government programs and activities carried on under existing law when ordered by either House of Congress, or upon his own initiative, or when requested by any committee of the House of Representatives or the Senate, or any joint committee of the two Houses, having jurisdiction over such programs and activities.

"(b) The Comptroller General, upon request of any committee of either House or any joint committee of the two Houses, shall—

"(1) assist such committee or joint committee in developing a statement of legislative objectives and goals and methods for assessing and reporting actual program performance in relation to such legislative objectives and goals. Such statements shall include, but are not limited to, recommendations as to methods of assessment, information to be reported, responsibility for reporting, frequency of reports, and feasibility of pilot testing; and

"(2) assist such committe or joint committee in analyzing and assessing program reviews or evaluation studies prepared by and for any Federal agency.

Upon request of any Member of either House, the Comptroller General shall furnish to such Member a copy of any statement or other

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[12] **P.L. 97–258 repealed sections 702(a) and 702(b) in the original bill which referred to review and evaluation of Government activities by the Comptroller General. Section 702(a) was codified in Title 31, United States Code in sections 702, 717, 719 and 731, and Section 702(b) of the Act was executed in amending the table of contents of the Legislative Reorganization Act of 1970.**

material compiled in carrying out paragraphs (1) and (2) which has been released by the committee or joint committee for which it was compiled.

"*(c) The Comptroller General shall develop and recommend to the Congress methods for review and evaluation of Government programs and activities carried on under existing law.*

"*(d) In carrying out his responsibilities under this section, the Comptroller General is authorized to establish an Office of Program Review and Evaluation within the General Accounting Office. The Comptroller General is authorized to employ not to exceed ten experts on a permanent, temporary, or intermittent basis and to obtain services as authorized by section 3109 of title 5, United States Code, but in either case at a rate (or the daily equivalent) for individuals not to exceed that prescribed, from time to time, for level V of the Executive Schedule under section 5316 of title 5, United States Code.*

"*(e) The Comptroller General shall include in his annual report to the Congress a review of his activities under this section, including his recommendations of methods for review and evaluation of Government programs and activities under subsection (c).*"

(b) Item 204 in the table of contents of such Act is amended to read as follows:

"*Sec. 204. Review and evaluation.*"

CONTINUING STUDY OF ADDITIONAL BUDGET REFORM PROPOSALS

SEC. 703. (a) The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis proposals designed to improve and facilitate methods of congressional budget-making. The proposals to be studied shall include, but are not limited to, proposals for—

(1) improving the information base required for determining the effectiveness of new programs by such means as pilot testing, survey research, and other experimental and analytical techniques;

(2) improving analytical and systematic evaluation of the effectiveness of existing programs;

(3) establishing maximum and minimum time limitations for program authorization; and

(4) developing techniques of human resource accounting and other means of providing noneconomic as well as economic evaluation measures.

(b) The Committee on the Budget of each House shall, from time to time, report to its House the results of the study carried on by it under subsection (a), together with its recommendations.

(c) Nothing in this section shall preclude studies to improve the budgetary process by any other committee of the House of Representatives or the Senate or any joint committee of the Congress.

TITLE VIII—FISCAL AND BUDGETARY INFORMATION AND CONTROLS[13]

AMENDMENT TO LEGISLATIVE REORGANIZATION OF 1970

Sec. 801. (a) So much of title II of the Legislative Reorganization Act of 1970 (31 U.S.C. chapter 22) as precedes section 204 thereof is amended to read as follows:

"TITLE II—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

"Part 1—Fiscal, Budgetary, and Program-Related Data and Information

"FEDERAL FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION SYSTEMS

"Sec. 201. The Secretary of the Treasury and the Director of the Office of Management and Budget, in cooperation with the Comptroller General of the United States, shall develop, establish, and maintain, for use by all Federal agencies, standardized data processing and information systems for fiscal, budgetary, and program-related data and information. The development, establishment, and maintenance of such systems shall be carried out so as to meet the needs of the various branches of the Federal Government and, insofar as practicable, of governments at the State and local level.

"STANDARDIZATION OF TERMINOLOGY, DEFINITIONS, CLASSIFICATIONS, AND CODES FOR FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"Sec. 202. (a) (1) The Comptroller General of the United States, in cooperation with the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Director of the Congressional Budget Office, shall develop, establish, maintain, and publish standard terminology, definitions, classifications, and codes for Federal fiscal, budgetary, and program-related data and information. The authority contained in this section shall include, but not be limited

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[13] P.L. 97–258 repealed sections 801 and 802 of the original bill which referred to fiscal and budgetary information and controls in amendments to the Legislative Reorganization Act of 1970. Section 801(a) was codified in Title 31, United States Code in sections 1112 and 1113. Section 802 was codified in Title 31, United States Code in section 1104. Section 801(b) was executed in amending the table of contents of the Legislative Reorganization Act of 1970.

to, data and information pertaining to Federal fiscal policy, revenues, receipts, expenditures, functions, programs, projects, and activities. Such standard terms, definitions, classifications, and codes shall be used by all Federal agencies in supplying to the Congress fiscal, budgetary, and program-related data and information.

"(*2*) *The Comptroller General shall submit to the Congress, on or before June 30, 1975, a report containing the initial standard terminology, definitions, classifications, and codes referred to in paragraph* (*1*), *and shall recommend any legislation necessary to implement them. After June 30, 1975, the Comptroller General shall submit to the Congress additional reports as he may think advisable, including any recommendations for any legislation he may deem necessary to further the development, establishment, and maintenance, modification, and executive implementation of such standard terminology, definitions, classifications, and codes.*

"(*b*) *In carrying out this responsibility, the Comptroller General of the United States shall give particular consideration to the needs of the Committees on the Budget of the House and Senate, the Committees on Appropriations of the House and Senate, the Committee on Ways and Means of the House, the Committee on Finance of the Senate, and the Congressional Budget Office.*

"(*c*) *The Comptroller General of the United States shall conduct a continuing program to identify and specify the needs of the committees and Members of the Congress for fiscal, budgetary, and program-related information to support the objectives of this part.*

"(*d*) *The Comptroller General shall assist committees in developing their information needs, including such needs expressed in legislative requirements, and shall monitor the various recurring reporting requirements of the Congress and committees and make improvements in their reporting requirements to meet congressional information needs ascertained by the Comptroller General, to enhance their usefulness to the congressional users and to eliminate duplicative or unneeded reporting.*

"(*e*) *On or before September 1, 1974, and each year thereafter, the Comptroller General shall report to the Congress on needs identified and specified under subsection* (*c*); *the relationship of these needs to the existing reporting requirements; the extent to which the executive branch reporting presently meets the identified needs; the specification of changes to standard classifications needed to meet congressionals needs; the activities, progress and results of his activities under subsection* (*d*); *and the progress that the excutive branch had made during the past year.*

"(*f*) *On or before March 1, 1975, and each year thereafter, the Director of the Office of Management and Budget and the Secretary of the Treasury shall report to the Congress on their plans for ad-*

dressing the needs identified and specified under subsection (c), including plans for implementing changes to classifications and codes to meet the information needs of the Congress as well as the status of prior year system and classification implementations.

"AVAILABILITY TO AND USE BY THE CONGRESS AND STATE AND LOCAL GOVERNMENTS OF FEDERAL FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

SEC. 203. (a) Upon request of any committee of either House, of any joint committee of the two Houses, of the Comptroller General, or of the Director of the Congressional Budget Office, the Secretary of the Treasury, the Director of the Office of Management and Budget, and the heads of the various executive agencies shall—

"(1) furnish to such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office information as to the location and nature of available fiscal, budgetary, and program-related data and information;

"(2) to the extent practicable, prepare summary tables of such data and information and any related information deemed necessary by such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office; and

"(3) furnish to such committee or joint committee, the Comptroller General, or the Director of the Congressional Budget Office any program evaluations conducted or commissioned by any executive agency.

"(b) The Comptroller General, in cooperation with the Director of the Congressional Budget Office, the Secretary of the Treasury, and the Director of the Office of Management and Budget shall—

"(1) develop, establish, and maintain an up-to-date inventory and directory of sources and information systems containing fiscal, budgetary, and program-related data and information and a brief description of their content;

"(2) provide, upon request, assistance to committees, joint committees, and Members of Congress in securing Federal fiscal, budgetary, and program-related data and information from the sources identified in such inventory and directory; and

"(3) furnish, upon request, assistance to committees and joint committees of Congress and, to the extent practicable, to Members of Congress in appraising and analyzing fiscal, budgetary, and program-related data and information secured from the sources identified in such inventory and directory.

"(c) The Comptroller General and the Director of the Congressional Budget Office shall, to the extent they deem necessary, develop, establish, and maintain a central file or files of the data and information

required to carry out the purposes of this title. Such file or files shall be established to meet recurring requirements of the Congress for fiscal, budgetary, and program-related data and information and shall include, but not be limited to, data and information pertaining to budget requests, congressional authorizations to obligate and spend, apportionment and reserve actions, and obligations and expenditures. Such file or files and their indexes shall be maintained in such a manner as to facilitate their use by the committees of both Houses, joint committees, and other congressional agencies through modern data processing and communications techniques.

"(d) The Director of the Office of Management and Budget, in cooperation with the Director of the Congressional Budget Office, the Comptroller General, and appropriate representatives of State and local governments, shall provide, to the extent practicable, State and local governments such fiscal, budgetary, and program-related data and information as may be necessary for the accurate and timely determination by these governments of the impact of Federal assistance upon their budgets."

(b) The table of contents of the Legislative Reorganization Act of 1970 is amended by striking out—

"TITLE II—FISCAL CONTROLS

"PART 1—BUDGETARY AND FISCAL INFORMATION AND DATA

"Sec. 201. Budgetary and fiscal data processing system.
"Sec. 202. Budget standard classifications.
"Sec. 203. Availability to Congress of budgetary, fiscal, and related data."

and inserting in lieu thereof—

"TITLE II—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

"PART I—FISCAL, BUDGETARY, AND PROGRAM-RELATED DATA AND INFORMATION

"Sec. 201. Federal fiscal, budgetary, and program-related data and information systems.
"Sec. 202. Standardization of terminology, definitions, classifications, and codes for fiscal, budgetary, and program-related data and information.
"Sec. 203. Availability to and use by the Congress and State and local governments of Federal fiscal budgetary, and program-related data and information."

CHANGES IN FUNCTIONAL CATEGORIES

SEC. 802. Any change in the functional categories set forth in the Budget of the United States Government transmitted pursuant to section 201 of the Budget and Accounting Act, 1921, shall be made only in consultation with the Committees on Appropriations and the Budget of the House of Representatives and Senate.

TITLE IX—MISCELLANEOUS PROVISIONS; EFFECTIVE DATES

AMENDMENTS TO RULES OF THE HOUSE

SEC. 901. (a) Rule XI of the Rules of the House of Representatives (as amended by section 101(c) of this Act) is amended by inserting immediately after clause 22 the following new clause:

"22A. The respective areas of legislative jurisdiction under this rule are modified by title I of the Congressional Budget Act of 1974."

(b) Paragraph (c) of clause 29 of Rule XI of the Rules of the House of Representatives (as redesignated by section 101(c) of this Act) is amended by inserting "the Committee on the Budget," immediately after "the Committee on Appropriations,".

(c) Subparagraph (5) of paragraph (a) of clause 30 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "and the Committee on the Budget" immediately before the period at the end thereof.

(d) Subparagraph (4) of paragraph (b) of clause 30 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "and the Committee on the Budget" immediatly before the period at the end thereof.

(e) Paragraph (d) of clause 30 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by striking out "the Committee on Appropriations may appoint" and inserting in lieu thereof "the Committee on Appropriations and the Committee on the Budget may each appoint".

(f) Clause 32 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "the Committee on the Budget," immediately after "the Committee on Appropriations,".

(g) Paragraph (a) of clause 33 of Rule XI of the Rules of the House of Representatives (as so redesignated) is amended by inserting "and the Committee on the Budget" immediately after "the Committee on Appropriations".

CONFORMING AMENDMENTS TO STANDING RULES OF THE SENATE

SEC. 902. Paragraph 1 of rule XXV of the Standing Rules of the Senate is amended—

(1) by striking out "Revenue" in subparagraph (h)1 and inserting in lieu thereof "Except as provided in the Congressional Budget Act of 1974, revenue";

(2) by striking out "The" in subparagraph (h)2 and inserting in lieu thereof "Except as provided in the Congressional Budget Act of 1974, the"; and

(3) by striking out "Budget" in subparagraph (j)(1)(A) and inserting in lieu thereof "Except as provided in the Congressional Budget Act of 1974, budget".

AMENDMENTS TO LEGISLATIVE REORGANIZATION ACT OF 1946

SEC. 903. (a) Section 134(c) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190b(b)) is amended by inserting "or the Committee on the Budget" after "Appropriations".

(b) Section 136(c) of such Act (2 U.S.C. 190d(c)) is amended by striking out "Committee on Appropriations of the Senate and the Committees on Appropriations," and inserting in lieu thereof "Committees on Appropriations and the Budget of the Senate and the Committees on Appropriations, the Budget,".

EXERCISE OF RULEMAKING POWERS

SEC. 904. (a) The provisions of this title (except section 905) and of titles I, III, and IV and the provisions of sections 606, 701, 703, and 1017 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) Any provision of title III or IV may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by the unanimous consent of the Senate.

(c) Appeals in the Senate from the decisions of the Chair relating to any provision of title III or IV or section 1017 shall, except as otherwise provided therein, be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, concurrent resolution, reconciliation bill, or rescission bill, as the case may be.

EFFECTIVE DATES

SEC. 905. (a) Except as provided in this section, the provisions of this Act shall take effect on the date of its enactment.

(b) Title II (except section 201(a)), section 403, and section 502(c) shall take effect on the day on which the first Director of the Congressional Budget Office is appointed under section 201(a).

(c) Except as provided in section 906, title III and section 402 shall apply with respect to the fiscal year beginning on October 1, 1976, and succeeding fiscal years, and section 401 shall take effect on the first day of the second regular session of the Ninety-fourth Congress.

(d) The amendments to the Budget and Accounting Act, 1921, made by sections 601, 603, and 604 shall apply with respect to the fiscal year beginning on July 1, 1975, and succeeding fiscal years, except that section 201(g) of such Act (as added by section 601) shall apply with respect to the fiscal year beginning on October 1, 1976, and succeeding fiscal years and section 201(i) of such Act (as added by section 601) shall apply with respect to the fiscal year beginning on October 1, 1978, and succeeding fiscal years. The amendment to such Act made by section 602 shall apply with respect to the fiscal year beginning on October 1, 1976, and succeeding fiscal years.

APPLICATION OF CONGRESSIONAL BUDGET PROCESS TO FISCAL YEAR 1976

SEC. 906. If the Committees on the Budget of the House of Representatives and the Senate both agree that it is feasible to report and act on a concurrent resolution on the budget referred to in section 301 (a), or to apply any provision of title III or section 401 or 402, for the fiscal year beginning on July 1, 1975, and submit reports of such agreement to their respective Houses, then to the extent and in the manner specified in such reports, the provisions so specified and section 202(f) shall apply with respect to such fiscal year. If any provision so specified contains a date, such reports shall also specify a substitute date.

TITLE X—IMPOUNDMENT CONTROL

PART A—GENERAL PROVISIONS

DISCLAIMER

SEC. 1001. Nothing contained in this Act, or in any amendments made by this Act, shall be construed as—

(1) asserting or conceding the constitutional powers or limitations of either the Congress or the President;

(2) ratifying or approving any impoundment heretofore or hereafter executed or approved by the President or any other Federal officer or employee, except insofar as pursuant to statutory authorization then in effect;

(3) affecting in any way the claims or defenses of any party to litigation concerning any impoundment; or

(4) superseding any provision of law which requires the obligation of budget authority or the making of outlays thereunder.

AMENDMENT TO ANTIDEFICIENT ACT[14]

SEC. 1002. Section 3678(c)(2) of the Revised Statutes, as amended (31 U.S.C. 665), is amended to read as follows:

"(2) In apportioning any appropriation, reserves may be established solely to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations. Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the full objectives and scope of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921, for estimates of appropriations. Except as specifically provided by particular appropriations Acts or other laws, no reserves shall be established other than as authorized by this subsection. Reserves established pursuant to this subsection shall be reported to the Congress in accordance with the Impoundment Control Act of 1974."

REPEAL OF EXISTING IMPOUNDMENT REPORTING PROVISION[15]

SEC. 1003. Section 203 of the Budget and Accounting Procedures Act of 1950 is repealed.

PART B—CONGRESSIONAL CONSIDERATION OF PROPOSED RESCISSIONS, RESERVATIONS, AND DEFERRALS OF BUDGET AUTHORITY

DEFINITIONS

SEC. 1011. For purposes of this part—

(1) "deferral of budget authority" includes—

(A) withholding or delaying the obligation or expenditure of budget authority (whether by establishing reserves or otherwise) provided for projects or activities; or

(B) any other type of Executive action or inaction which effectively precludes the obligation or expenditure of budget authority, including authority to obligate by contract in advance of appropriations as specifically authorized by law;

(2) "Comptroller General" means the Comptroller General of the United States;

(3) "rescission bill" means a bill or joint resolution which only rescinds in whole or in part, budget authority proposed to be

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[14] P.L. 97-258 repealed sections 1002 of the original bill which referred to reserves established in affecting rescissions under appropriations acts. Section 1002 was codified in Title 31, United States Code in section 1512.

[15] P.L. 97-258 repealed section 1003 of the original bill which was executed in repealing section 203 of the Budget and Accounting Procedures Act of 1950.

rescinded in a special message transmitted by the President under section 1012, and upon which the Congress completes action before the end of the first period of 45 calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress;

(4) "impoundment resolution" means a resolution of the House of Representatives or the Senate which only expresses its disapproval of a proposed deferral of budget authority set forth in a special message transmitted by the President under section 1013; and

(5) continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 45-day period referred to in paragraph (3) of this section and in section 1012, and the 25-day periods referred to in sections 1016 and 1017(b)(1). If a special message is transmitted under section 1012 during any Congress and the last session of such Congress adjourns sine die before the expiration of 45 calendar days of continuous session (or a special message is so transmitted after the last session of the Congress adjourns sine die), the message shall be deemed to have been retransmitted on the first day of the succeeding Congress and the 45-day period referred to in paragraph (3) of this section and in section 1012 (with respect to such message) shall commence on the day after such first day.

RESCISSION OF BUDGET AUTHORITY

SEC. 1012. (a) TRANSMITTAL OF SPECIAL MESSAGE.—Whenever the President determines that all or part of any budget authority will not be required to carry out the full objectives or scope of programs for which it is provided or that such budget authority should be rescinded for fiscal policy or other reasons (including the determination of authorized projects or activities for which budget authority has been provided), or whenever all or part of budget authority provided for only one fiscal year is to be reserved from obligation for such fiscal year, the President shall transmit to both Houses of Congress a special message specifying—

(1) the amount of budget authority which he proposes to be rescinded or which is to be so reserved;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(3) the reasons why the budget authority should be rescinded or is to be so reserved;

(4) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the proposed rescission or of the reservation; and

(5) all facts, circumstances, and considerations relating to or bearing upon the proposed rescission or the reservation and the decision to effect the proposed rescission or the reservation, and to the maximum extent practicable, the estimated effect of the proposed rescission or the reservation upon the objects, purposes, and programs for which the budget authority is provided.

(b) Requirement to Make Available for Obligation.—Any amount of budget authority proposed to be rescinded or that is to be reserved as set forth in such special message shall be made available for obligation unless, within the prescribed 45-day period, the Congress has completed action on a rescission bill rescinding all or part of the amount proposed to be rescinded or that is to be reserved.

DISAPPROVAL OF PROPOSED DEFERRALS OF BUDGET AUTHORITY

Sec. 1013. (a) Transmittal of Special Message.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States proposes to defer any budget authority provided for a specific purpose or project, the President shall transmit to the House of Representatives and the Senate a special message specifying—

(1) the amount of the budget authority proposed to be deferred;

(2) any account, department, or establishment of the Government to which such budget a authority is available for obligation, and the specific projects or governmental functions involved;

(3) the period of time during which the budget authority is proposed to be deferred;

(4) the reasons for the proposed deferral, including any legal authority invoked by him to justify the proposed deferral;

(5) to the maximum extent practicable, the estimate fiscal, economic, and budgetary effect of the proposed deferral; and

(6) all facts, circumstances, and considerations relating to or bearing upon the proposed deferral and the decision to effect the proposed deferral, including an analysis of such facts, circumstances, and considerations in terms of their application to any legal authority and specific elements of legal authority invoked by him to justify such proposed deferral, and to the maximum extent practicable, the estimated effect of the proposed deferral upon the

objects, purposes, and programs for which the budget authority is provided.

A special message may include one or more proposed deferrals of budget authority. A deferral may not be proposed for any period of time extending beyond the end of the fiscal year in which the special message proposing the deferral is transmitted to the House and the Senate.

(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be deferred, as set forth in a special message transmitted under subsection (a), shall be made available for obligation if either House of Congress passes an impoundment resolution disapproving such proposed deferral.

(c) EXCEPTION.—The provisions of this section do not apply to any budget authority proposed to be rescinded or that is to be reserved as set forth in a special message required to be transmitted under section 1012.

TRANSMISSION OF MESSAGES; PUBLICATION

SEC. 1014. (a) DELIVERY TO HOUSE AND SENATE.—Each special message transmitted under section 1012 or 1013 shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the appropriate committee of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(b) DELIVERY TO COMPTROLLER GENERAL.—A copy of each special message transmitted under section 1012 or 1013 shall be transmitted to the Comptroller General on the same day it is transmitted to the House of Representatives and the Senate. In order to assist the Congress in the exercise of its functions under sections 1012 and 1013, the Comptroller General shall review each such message and inform the House of Representatives and the Senate as promptly as practicable with respect to—

(1) in the case of a special message transmitted under section 1012, the facts surrounding the proposed rescission or the reservation of budget authority (including the probable effects thereof); and

(2) in the case of a special message transmitted under section 1013, (A) the facts surrounding each proposed deferral of budget authority (including the probable effects thereof) and (B) whether or not (or to what extent), in his judgment, such proposed deferral is in accordance with existing statutory authority.

(c) Transmission of Supplementary Messages.—If any information contained in a special message transmitted under section 1012 or 1013 is subsequently revised, the President shall transmit to both Houses of Congress and the Comptroller General a supplementary message stating and explaining such revision. Any such supplementary message shall be delivered, referred, and printed as provided in subsection (a). The Comptroller General shall promptly notify the House of Representatives and the Senate of any change in the information submitted by him under subsection (b) which may be necessitated by such revision.

(d) Printing in Federal Register.—Any special message transmitted under section 1012 or 1013, and any supplementary message transmitted under subsection (c), shall be printed in the first issue of the Federal Register published after such transmittal.

(e) Cumulative Reports of Proposed Rescissions, Reservations, and Deferrals of Budget Authority.—

(1) The President shall submit a report to the House of Representatives and the Senate, not later than the 10th day of each month during a fiscal year, listing all budget authority for that fiscal year with respect to which, as of the first day of such month—

(A) he has transmitted a special message under section 1012 with respect to a proposed rescission or a reservation; and

(B) he has transmitted a special message under section 1013 proposing a deferral.

Such report shall also contain, with respect to each such proposed rescission or deferral, or each such reservation, the information required to be submitted in the special message with respect thereto under section 1012 or 1013.

(2) Each report submitted under paragraph (1) shall be printed in the first issue of the Federal Register published after its submission.

REPORTS BY COMPTROLLER GENERAL

Sec. 1015. (a) Failure To Transmit Special Message.—If the Comptroller General finds that the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any other officer or employee of the United States—

(1) is to establish a reserve or proposes to defer budget authority with respect to which the President is required to transmit a special message under section 1012 or 1013; or

(2) has ordered, permitted, or approved the establishment of such a reserve or a deferral of budget authority;

and that the President has failed to transmit a special message with respect to such reserve or deferral, the Comptroller General shall make a report on such reserve or deferral and any available information concerning it to both Houses of Congress. The provisions of this part shall apply with respect to such reserve or deferral in the same manner and with the same effect as if such report of the Comptroller General were a special message transmitted by the President under section 1012 or 1013, and, for purposes of this part, such report shall be considered a special message transmitted under section 1012 or 1013.

(b) Incorrect Classification of Special Message.—If the President has transmitted a special message to both Houses of Congress in accordance with section 1012 or 1013, and the Comptroller General believes that the President so transmitted the special message in accordance with one of those sections when the special message should have been transmitted in accordance with the other of those sections, the Comptroller General shall make a report to both Houses of the Congress setting forth his reasons.

SUITS BY COMPTROLLER GENERAL

Sec. 1016. If, under section 1012(b) or 1013(b), budget authority is required to be made available for obligation and such budget authority is not made available for obligation, the Comptroller General is hereby expressly empowered, through attorneys of his own selection, to bring a civil action in the United States District Court for the District of Columbia to require such budget authority to be made available for obligation, and such court is hereby expressly empowered to enter in such civil action, against any department, agency, officer, or employee of the United States, any decree, judgment, or order which may be necessary or appropriate to make such budget authority available for obligation. The courts shall give precedence to civil actions brought under this section, and to appeals and writs from decisions in such actions, over all other civil actions, appeals, and writs. No civil action shall be brought by the Comptroller General under this section until the expiration of 25 calendar days of continuous session of the Congress following the date on which an explanatory statement by the Comptroller General of the circumstances giving rise to the action contemplated has been filed with the Speaker of the House of Representatives and the President of the Senate.

PROCEDURE IN HOUSE AND SENATE

SEC. 1017. (a) REFERRAL.—Any rescission bill introduced with respect to a special message or impoundment resolution introduced with respect to a proposed deferral of budget authority shall be referred to the appropriate committee of the House of Representatives or the Senate, as the case may be.

(b) DISCHARGE OF COMMITTEE.—

(1) If the committee to which a rescission bill or impoundment resolution has been referred has not reported it at the end of 25 calendar days of continuous session of the Congress after its introduction, it is in order to move either to discharge the committee from further consideration of the bill or resolution or to discharge the committee from further consideration of any other rescission bill with respect to the same special message or impoundment resolution with respect to the same proposed deferral, as the case may be, which has been referred to the committee.

(2) A motion to discharge may be made only by an individual favoring the bill or resolution, may be made only if supported by one-fifth of the Members of the House involved (a quorum being present), and is highly privileged in the House and privileged in the Senate (except that it may not be made after the committee has reported a bill or resolution with respect to the same special message or the same proposed deferral, as the case may be); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the bill or resolution, and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(c) FLOOR CONSIDERATION IN THE HOUSE.—

(1) When the committee of the House of Representatives has reported, or has been discharged from further consideration of, a rescission bill or impoundment resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the bill or resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate on a rescission bill or impoundment resolution shall be limited to not more than 2 hours, which shall be divided equally

between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. In the case of an impoundment resolution, no amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a rescission bill or impoundment resolution is agreed to or disagreed to.

(3) Motions to postpone, made with respect to the consideration of a rescission bill or impoundment resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any rescission bill or impoundment resolution shall be decided without debate.

(5) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of any rescission bill or impoundment resolution and amendments thereto (or any conference report thereon) shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions, amendments, and conference reports in similar circumstances.

(d) FLOOR CONSIDERATION IN THE SENATE.—

(1) Debate in the Senate on any rescission bill or impoundment resolution, and all amendments thereto (in the case of a rescission bill) and debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to a rescission bill shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the bill. Debate on any amendment to an amendment, to such a bill, and debate on any debatable motion or appeal in connection with such a bill or an impoundment resolution shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill or resolution, except that in the event the manager of the bill or reolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of a rescission bill shall be received. Such leaders, or either of them, may, from the time under their control on the passage of a rescission bill or impoundment resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion to further limit debate is not debatable. In the case of a rescission bill, a motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution. In the case of an impoundment resolution, no amendment or motion to recommit is in order.

(4) The conference report on any rescission bill shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(5) During the consideration in the Senate of the conference report on any rescission bill, debate shall be limited to 2 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(6) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to one hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(7) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

Approved July 12, 1974.

LEGISLATIVE HISTORY

House Reports: No. 93-658 (Comm. on Rules) and No. 93-1101 (Comm. of Conference).

Senate Reports: No. 93-579 accompanying S. 1541 (Comm. on Government Operations) and No. 93-688 accompanying S. 1541 (Comm. on Rules and Administration) and No. 93-924 (Comm. of Conference).

Congressional Record: Vol. 119 (1973): Dec. 4, 5, considered and passed House. Vol. 120 (1974): Mar. 13, 19-21, S. 1541 considered in Senate. Mar. 22, considered and passed Senate, amended, in lieu of S. 1541. June 18, House agreed to conference report. June 21, Senate agreed to conference report.

Weekly Compilation of Presidential Documents: Vol. 10, No. 28 (1974): July 12, Presidential statement.

NOTE

Under the provisions of section 904 of the Budget Act, certain provisions of the Budget Act were enacted by Congress as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and may have been superceded by rule changes since July 12, 1974. Any changes made through the 97th Congress are reflected in footnotes to the section.

ATTACHMENT D

Terms Used in the Federal Budget Process and Related Terms Associated With Budget Activities[1]

Budget Terms and Definitions

ACCRUED EXPENDITURES

Charges during a given period that reflect liabilities incurred and the need to pay for: (a) Services performed by employees, contractors, other Government accounts, vendors, carriers, grantees, lessors, and other payees; (b) goods and other tangible property received; and (c) amounts becoming owed under programs for which no current service or performance is required (such as annuities, insurance claims, other benefit payments, and some cash grants, but excluding the repayment of debt, which is considered neither an obligation nor an expenditure). Expenditures accrue regardless of when cash payments are made, whether invoices have been rendered, or, in some cases, whether goods or other tangible property have been physically delivered. (*See also* Accrual Basis of Accounting and Liabilities defined in the Accounting Terms section of this glossary.)

ACTIVITY

A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of discharging a function or subfunction for which the governmental unit is responsible. For example, food inspection is an activity performed in the discharge of the health function. (*See also* Budget Activity; Functional Classification.)

ADVANCE APPROPRIATION

Budget authority provided in an appropriation act to become available in a fiscal year, or more, beyond the fiscal year for which the appropriation act is passed. The amount is not included in the budget totals of the year in which the appropriation bill is enacted but it is included in the budget totals for the fiscal year in which the amount will become available for obligation. For examples and further discussion of this term, see part V of *The Budget of the United States Government, Appendix.* (For distinction, *see* Advance Funding; Forward Funding *under* Budget Authority.)

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[1] Compiled by the U.S. General Accounting Office, December 1980.

ADVANCE FUNDING

Budget authority provided in appropriation acts to obligate and disburse funds during a fiscal year from a succeeding year's appropriation. The funds so obligated increase the budget authority for the fiscal year in which obligated and reduce the budget authority of the succeeding fiscal year. Advance funding is a device for avoiding supplemental requests late in the fiscal year for certain entitlement programs should the appropriations for the current year prove to be too low. For examples and further discussion of this term, see part V of *The Budget of the United States Government, Appendix.* (For distinction, *see* Advance Appropriation; Forward Funding under Budget Authority.)

ADVANCES

Amounts of money prepaid pursuant to budget authority in contemplation of the later receipt of goods, services, or other assets. Advances are ordinarily made only to payees to whom an agency has an obligation, and not in excess of the amount of the obligation. A common example is travel advances which are amounts made available to employees prior to the beginning of a trip for costs incurred in accordance with the Travel Expense Act of 1949 and in accordance with the Standardized Government travel regulations. (*See also* Undelivered Orders.)

AGENCY

Pursuant to 40 U.S.C. 472, sections (a) and (b) : The term executive agency means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation. (The term sometimes includes the municipal government of the District of Columbia.) The term Federal agency means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and activities under the direction of the Architect of the Capitol).

AGENCY MISSIONS

Responsibilities assigned to a specific agency for meeting national needs.

Agency missions are expressed in terms of the purpose to be served by the programs authorized to carry out functions or subfunctions which, by law, are the responsibility of that agency and its component organizations. In contrast to national needs, generally described in the context of major functions, agency missions are generally described in the context of subfunctions. (*See also* Functional Classification; Mission Budgeting; National Needs.)

ALLOCATIONS

For purposes of Government accounting, an allocation is the amount of obligational authority transferred from one agency, bureau, or account that is set aside in a transfer appropriation account to carry out the purposes of the parent appropriation or fund. (The account to which the appropriation is made is called the parent account.) For example, allocations are made when one or more agencies share the administration of a program for which appropriations are made to only one of the agencies or to the President. Transactions involving allocation accounts appear in the Object Classification Schedule with the corresponding Program and Financing Schedule in *The Budget of the United States Government, Appendix.* (For detailed discussion on the treatment of Object Classification—with Allocation Accounts, see OMB Circular No. A–11, revised.)

For purposes of section 302(a) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344; 31 U.S.C. 1323), an allocation is the distribution of the total budget outlays or total new budget authority in a concurrent resolution on the budget to the various committees having spending responsibilities. (*See also* Transfer Appropriation Account *under* Appropriation (Expenditure), Receipt and Fund Accounts; Crosswalk; Transfer Between Appropriation/Fund Accounts; Transfer of Funds.)

ALLOTMENT

An authorization by the head (or other authorized employee) of an agency to his/her subordinates to incur obligations within a specified amount. An agency makes allotments pursuant to the requirements stated in OMB Circular No. A–34. The amount allotted by an agency cannot exceed the amount apportioned by OMB. (*See also* Apportionment; Reapportionment.)

ALLOWANCES

Amounts included in the President's budget request or projections to cover possible additional proposals, such as statutory pay increases and contingencies for relatively uncontrollable programs and other requirements. As used in the concurrent resolutions on the budget, allowances represent a special functional classification designed to include amounts to cover possible requirements, such as civilian pay raises and contingencies. Allowances remain undistributed until they occur or become firm, then they are distributed to the appropriate functional classification(s). For a more detailed discussion, see part V *The Budget of the U.S. Government.* (*See also* Controllability.)

ANTIDEFICIENCY ACT

Legislation enacted by Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds; to fix responsibility within an agency for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment or in excess of other subdivisions established pursuant to 31 U.S.C. 665(g); and to assist in bringing about the most effective and economical use of appropriations and funds. The act is sometimes known as section 3679 of the Revised Statutes, as amended. (*See also* Apportionment; Budgetary Reserves; Deferral of Budget Authority; Deficiency Apportionment; Deficiency Appropriation; Fund Accounting defined in the Accounting Terms section of this glossary; Supplemental Appropriation.)

APPLIED COSTS

The financial measure of resources consumed or applied within a given period of time to accomplish a specific purpose, such as performing a service, carrying out an activity, or completing a unit of work or a specific project, regardless of when ordered, received, or paid for. (For further discussion of this term, as it applies to the budgetary process and to particular types of transactions, see OMB Circular No. A–34.)

APPORTIONMENT

A distribution made by the Office of Management and Budget of amounts available for obligation, including budgetary reserves established pursuant to law, in an appropriation or fund account. Apportionments divide amounts available for obligation by specific time periods (usually quarterly), activities, projects, objects, or a combination thereof. The amounts so apportioned limit the amount of obligations that may be incurred. In apportioning any account, some funds may be reserved to provide for contingencies or to effect savings, pursuant to the Antideficiency Act; or may be proposed for deferral or rescission pursuant to the Impoundment Control Act of 1974 (title X of the Congressional Budget and Impoundment Control Act, Public Law 93–344, 31 U.S.C. 1400, et seq.).

The apportionment process is intended to prevent obligation of amounts available within an appropriation or fund account in a manner that would require deficiency or supplemental appropriations and to achieve the most effective and economical use of amounts made available for obligation. In this regard Federal agency obligations may not be incurred in excess of the amount of budget authority apportioned. (*See also* Allotment; Antideficiency Act; Budgetary Reserves; Deferral of Budget Authority; Deficiency Apportionment; Deficiency Appropriation; Reapportionment; Rescission; Supplemental Appropriation.)

APPROPRIATION ACCOUNT/FUND ACCOUNT

A summary account established in the Treasury for each appropriation and/or fund showing transactions to such accounts. Each such account provides the framework for establishing a set of balanced accounts on the books of the agency concerned.

APPROPRIATION ACT

A statute, under the jurisdiction of the House and Senate Committees on Appropriations, that generally provides authorization for Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation act, the most common means of providing budget authority, generally follows enactment of authorizing legislation unless the authorizing legislation itself provides the budget authority.

Currently, there are 13 regular appropriation acts enacted annually. From time to time, Congress also enacts supplemental appropriation acts. (*See also* Budget Authority; Supplemental Appropriation.)

APPROPRIATION (EXPENDITURE), RECEIPT, AND FUND ACCOUNTS

Expenditure and receipt accounts

There are a number of expenditure, receipt, and other accounts used by the Federal Government. The expenditure and receipt accounts used for budget and accounting purposes are those that record the Federal and trust fund amounts. (*See also under* Collections.)

In addition to the above, some accounts are used only for accounting purposes. These include transfer appropriation accounts, foreign currency accounts, receipt clearing accounts, and deposit fund accounts.

The Federal and trust fund amounts (except those specifically excluded by law) comprise the President's budget.

Federal funds accounts

General Fund Receipt Accounts.—Those accounts credited with all collections that are not earmarked by law for a specific purpose. These collections are presented in *The Budget of the U.S. Government* as either budget (governmental) receipts or offsetting collections.

General Fund Expenditure Accounts.—Appropriation accounts established to record amounts appropriated by Congress to be expended for the general support of the Federal Government.

Special fund accounts

Special Fund Receipt Accounts.—Those accounts credited with collections from specific sources that are earmarked by law for a specific purpose. These collections are presented in *The Budget of the U.S. Government* as either budget (governmental) receipts or offsetting collections.

Special Fund Expenditure Accounts.—Appropriation accounts established to record appropriated amounts of special fund receipts to be expended for special programs in accordance with specific provisions of law.

Public enterprise revolving fund accounts

Expenditure accounts authorized by Congress to be credited with collections, primarily from the public, that are generated by, and earmarked to finance, a continuing cycle of business-type operations.

Intragovernmental fund accounts

Expenditure accounts specifically authorized by law to facilitate financing transactions within and between Federal agencies.

Intragovernmental Revolving Fund Accounts.—Authorized by law to carry out a cycle of intragovernmental business-type operations. They are similar to public enterprise revolving fund accounts except they are credited with offsetting collections primarily from other Federal agencies and accounts. Some examples are working capital fund, stock fund, industrial fund, and supply fund.

Management Fund Accounts.—Authorized by law to credit collections from two or more appropriations to finance activity not involving a continuing cycle of business-type operations. Such accounts do not generally own a significant amount of assets (e.g., supplies, equipment, loans, etc.), nor do they have a specified amount of capital provided (a corpus of the fund).

Consolidated Working Fund Accounts.—Included under management fund accounts, these are special working funds established under the authority of section 601 of the Economy Act (31 U.S.C. 686a) to receive advance payments from other agencies or accounts. Consolidated working funds are not used to finance the work directly, but only to reimburse the appropriation or fund account that will finance the work to be performed. Amounts in consolidated working fund accounts are available for the same periods as those of the accounts advancing the funds.

Trust funds accounts

Usually recorded in separate receipt and expenditure accounts. In a few cases, namely trust revolving funds, collections are authorized to be credited to an expenditure account.

Trust Fund Receipt Accounts.—Credited with collections generated by the terms of a trust agreement or statute. These collections are presented in *The Budget of the U.S. Government* either as budget (governmental) receipts or offsetting collections.

Trust Fund Expenditure Accounts.—Appropriation accounts established to record appropriated amounts of trust fund receipts to be used to finance specific purposes or programs under a trust agreement or statute.

Trust Revolving Fund Accounts.—Expenditure accounts used to carry out a cycle of business-type operations in accordance with a trust agreement or statute, for example, the Federal Deposit Insurance Corporation. They are authorized to be credited with offsetting collections.

In addition to the Federal and trust funds, there exist the following kinds of accounts for purposes other than budget presentation:

Transfer appropriation account

Established to receive and disburse allocations. Such allocations and transfers are not adjustments to budget authority or balances of budget authority. Rather, the transactions (including any adjustments therein) are treated as nonexpenditure transactions at the time the allocation is made. The accounts carry symbols that identify the original appropriation from which moneys were advanced. This account is symbolized by adding the receiving agency's department prefix to the original appropriation or fund account symbol. In some cases a bureau suffix is added to show that the transfer is being made to a particular bureau within the receiving department. For budget purposes, transactions in the transfer accounts are reported with the transactions in the parent accounts. (*See also* Allocation; Nonexpenditure transactions.)

Receipt clearing accounts

Set up to hold general, special, or trust fund receipts temporarily, pending credit to the applicable Federal or trust fund receipt accounts.

Foreign currency fund accounts

Established in the Treasury for foreign currency that is acquired without payment of U.S. dollars, primarily in payment for commodities (such as through the Agricultural Trade Development Assistance Act, Public Law 83–480). (For distinction, *see* Special Foreign Currency Program Appropriation.)

Deposit fund accounts

Expenditure accounts established to account for collections that are either (a) held temporarily and later refunded or paid upon administrative or legal determination as to the proper disposition thereof, or (b) held by the Government as banker or agent for others and paid out at the direction of the depositor. (For example, savings accounts for military personnel; Federal, State, and local income taxes withheld from Federal employees' salaries; and payroll deductions for the purchase of savings bonds by civilian employees of the Government. These accounts are not included in the budget totals because the amounts are not available for Government purposes. However, since the cash in the accounts is used by the Treasury to satisfy immediate cash requirements of the Government, deposit fund balances are shown as a means of financing the deficit in the budget.

APPROPRIATION LIMITATION

A statutory restriction in appropriation acts that establishes the maximum or minimum amount that may be obligated or expended for specified purposes.

AUTHORIZING COMMITTEE

A standing committee of the House or Senate with legislative jurisdiction over the subject matter of those laws, or parts of laws, that set up or continue the legal operations of Federal programs or agencies. An authorizing committee also has jurisdiction in those instances where backdoor authority is provided in the substantive legislation. (*See also* Oversight Committee; Spending Committee.)

AUTHORIZING LEGISLATION

Substantive legislation enacted by Congress that sets up or continues the legal operation of a Federal program or agency either indefinitely or for a specific period of time or sanctions a particular type of obligation or expenditure within a program.

Authorizing legislation is normally a prerequisite for appropriations. It may place a limit on the amount of budget authority to be included in appropriation acts or it may authorize the appropriation of "such sums as may be necessary." In some instances authorizing legislation may provide authority to incur debts or to mandate payment to particular persons or political subdivisions of the country. (*See also* Backdoor Authority; Entitlements; Spending Legislation; Substantive Law.)

BACKDOOR AUTHORITY

Budget authority provided in legislation outside the normal (appropriations committees) appropriations process. The most common forms of backdoor authority are authority to borrow (also called borrowing authority or authority to spend debt receipts) and contract authority. In other cases (e.g., interest on the public debt), a permanent appropriation is provided that becomes available without any current action by Congress. Section 401 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1351) specifies certain limits on the use of backdoor authority. (*See also* Authorizing Legislation; Appropriations *under* Budget Authority; Spending Authority; Spending Committees; Spending Legislation.)

BALANCED BUDGET

A budget in which receipts are equal to or greater than outlays. (*See also* Budget Deficit; Budget Surplus.)

BALANCES OF BUDGET AUTHORITY

Balances of budget authority result from the fact that not all budget authority enacted in a fiscal year is obligated and paid out in that same year. Balances are classified as follows:

Obligated balance

The amount of obligations already incurred for which payment has not yet been made. This balance can be carried forward indefinitely until the obligations are paid. (*See also* Expired Account.)

Unobligated balance

The portion of budget authority that has not yet been obligated. In 1-year accounts the unobligated balance expires (ceases to be available for obligation) at the end of the fiscal year. In multiple-year accounts the unobligated balance may be carried forward and remain available for obligation for the period specified. In no-year accounts the unobligated balance is carried forward indefinitely until specifically rescinded by law or until the purposes for which it was provided have been accomplished. (*See also* Merged Surplus Accounts.)

Unexpended balance

The sum of the obligated and unobligated balances.

BUDGET ACTIVITY

Categories within most accounts that identify the purposes, projects, or types of activities financed. They are presented in the Program by Activities section in the Program and Financing schedule of *The Budget of the United States Government, Appendix*. (*See also* Activity.)

BUDGET AMENDMENT

A revision to some aspect of a previous budget request, submitted to Congress by the President before Congress completes appropriation action. (*See also* Presidential Statement of Budgetary Amendments or Revisions.)

BUDGETARY RESERVES

Portions of budgetary resources set aside (withheld from apportionment) by the Office of Management and Budget by authority of the Antideficiency Act (31 U.S.C. 665) to (a) provide for contingencies, or (b) effect savings whenever savings are made possible by, or through changes in, requirements or greater efficiency of operations. Budgetary resources may also be set aside as specified by particular appropriation acts or other laws.

Except as specifically provided by law, no reserves shall be established other than as authorized under the Antideficiency Act (31 U.S.C. 665). Reserves established are reported to Congress in accordance with the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1401 et seq.). (*See also* Antideficiency Act; Apportionment; Deferral of Budget Authority; Rescission.)

BUDGET AUTHORITY

Authority provided by law to enter into obligations that will result in immediate or future outlays involving Federal Government funds, except that budget authority does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government. The basic forms of budget authority are appropriations, authority to borrow, and contract authority. Budget authority may be classified by the period of availability (1 year, multiple-year, no-year), by the timing of congressional action (current or permanent), or by the manner of determining the amount available (definite or indefinite).

Forms of budget authority

Appropriations.—An authorization by an act of Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation usually follows enactment of authorizing legislation. An appropriation act is the most common means of providing budget authority, but in some cases the authorizing legislation itself provides the budget authority. Appropriations do not represent cash actually set aside in the Treasury for purposes specified in the appropriation act: they represent limitations of amounts that agencies may obligate during the period of time specified in the respective appropriation acts. Several types of appropriations are not counted as budget authority, since they do not provide authority to incur additional obligations. Examples of these include:

—Appropriations to liquidate contract authority—congressional action to provide funds to pay obligations incurred against contract authority;

—Appropriations to reduce outstanding debt—congressional action to provide funds for debt retirement; and

—Appropriations for refunds of receipts. (*See also* Backdoor Authority; Refunds.)

Authority to Borrow.—Also called borrowing authority or authority to spend debt receipts. Statutory authority that permits a Federal agency to incur obligations and to make payments for specified purposes out of borrowed moneys. (*See also* Debt, Federal.)

Contract Authority.—Statutory authority that permits obligations to be incurred in advance of appropriations or in anticipation of receipts to be credited to a revolving fund or other account. (By definition, Contract authority is unfunded and must subsequently be funded by an appropriation to liquidate obligations incurred under the contract authority, or by the collection and use of receipts.) (*See also* Backdoor Authority.)

Determination of amount

Definite Authority.—Authority which is stated as a specific sum at the time the authority is granted. This includes authority stated as "not to exceed" a specified amount.

Indefinite Authority.—Authority for which a specific sum is not stated but is determined by other factors, such as the receipts from a certain source or obligations incurred. (Authority to borrow that is limited to a specified amount that may be outstanding at any time, i.e., revolving debt authority is considered to be indefinite budget authority.)

Period of availability

One-year (Annual) Authority.—Budget authority that is available for obligation only during a specified fiscal year and expires at the end of that time.

Multiple-year Authority.—Budget authority that is available for a specified period of time in excess of one fiscal year. This authority generally takes the form of 2-year, 3-year, etc. availability, but may cover periods that do not coincide with the start or end of a fiscal year. For example, the authority may be available from July 1 of one year through September 30 of the following fiscal year (15 months). This type of multiple-year authority is sometimes referred to as "forward funding." (For distinction, *see* Advance Appropriation and Advance Funding; Full Funding; Multi-Year Budget Planning.)

No-year Authority.—Budget authority that remains available for obligation for an indefinite period of time, usually until the objectives for which the authority was made available are attained.

Extensions of budget authority

Reappropriations.—Congressional action to continue the obligational availability, whether for the same or different purposes, of all or part of the unobligated portion of budget authority that has expired or would otherwise expire. Reappropriations are counted as budget authority in the year for which the availability is extended. (For distinction, *see* Restoration.)

Continuing Resolution.—Legislation enacted by Congress to provide budget authority for Federal agencies to continue in operation until the regular appropriations are enacted. Continuing resolutions are enacted when action on appropriations is not completed by the beginning of a fiscal year. The continuing resolution usually specifies a maximum rate at which the obligations may be incurred, based on the rate of the prior year, the President's budget request, or an appropriation bill passed by either or both Houses of the Congress.

Timing of congressional action

Current Authority.—Budget authority enacted by Congress in or immediately preceding the fiscal year in which it becomes available.

Permanent Authority.—Budget authority that becomes available as the result of previously enacted legislation (substantive legislation or prior appropriation act) and does not require current action by the Congress. Authority created by such legislation is considered to be "current" in the first year in which it is provided and "permanent" in succeeding years. (*See also* Controllability.)

BUDGET DEFICIT

The amount by which the Government's budget outlays exceed its budget receipts for a given fiscal year. (*See also* Balanced Budget; Budget Surplus.)

BUDGET ESTIMATES

Estimates of budget authority, outlays, receipts, or other budget measures that cover the current and budget years, as reflected in the President's budget and budget updates. (*See also* Budget Updates; President's Budget; Projections.)

BUDGET SURPLUS

The amount by which the Government's budget receipts exceed its budget outlays for a given budget/fiscal year. (*See also* Balanced Budget; Budget Deficit.)

BUDGET UPDATES

Amendments to, or revisions in, budget authority requested, estimated outlays, and estimated receipts for the ensuing fiscal year. The President is required by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344, 31 U.S.C. 11(g)) to transmit such statements to Congress by April 10 and July 15 of each year; however, the President may also submit budget updates at other times during the fiscal year. (*See also* Budget Estimates; President's Budget; Presidential Statement of Budgetary Amendments or Revisions.)

CAPITAL BUDGET

A divided budget with investment in capital assets excluded from calculations of the budget surplus or deficit, is often referred to as a capital budget. A capital budget provides for separating financing of capital or investment expenditures from current or operating expenditures.

The Federal Government has never had a capital budget in the sense of financing capital or investment-type programs separately from current expenditures. However, Federal expenditures of an investment nature are presented in Special Analysis D of the *Special Analyses, Budget of the United States Government*. (*See also* Capital defined in the Economic Terms section of this glossary.)

CHANGE IN SELECTED RESOURCES

An adjustment representing the bridge between program costs and obligations. It represents an increase or decrease in (a) those assets and liabilities that have been recorded as obligations but have not yet been consumed (e.g., inventories), and (b) those assets and liabilities which have become costs but have not yet become obligations (e.g., accrued annual leave).

This measure is shown as an entry in the Program and Financing Schedule of The *Budget of the U.S. Government, Appendix.* Details for computing change in selected resources are explained in section 32.3 of OMB Circular No. A-11. (*See also* Cost-Based Budgeting.)

COLLECTIONS

Amounts received by the Federal Government during the fiscal year. (*See also* Appropriation (Expenditure), Receipt, and Fund Accounts.) Collections are classified into two major categories: (1) Budget receipts; (2) Offsetting collections.

Budget receipts

Collections from the public (based on the Government's exercise of its sovereign powers) and from payments by participants in certain voluntary Federal social insurance programs. These collections, also called governmental receipts, consists primarily of tax receipts and social insurance premiums, but also include receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts. Budget receipts are compared with total outlays in calculating the budget surplus or deficit.

Offsetting collections

Collections from Government accounts or from transactions with the public that are of a business-type or market-oriented nature. They are classified into two major categories: (a) Collections credited to appropriation or fund accounts, and (b) offsetting receipts (that is, amounts deposited in receipt accounts). In general, the distinction between these two major categories is that "collections credited to appropriation or fund accounts" normally can be used without appropriation action by the Congress, whereas funds in "receipt accounts" cannot be used without being appropriated. Offsetting collections are deducted from disbursements in calculating total outlays. Corresponding offsets are made in arriving at total budget authority and net obligations incurred. The two categories are classified as follows:

Collections Credited to Appropriation or Fund Accounts.—These occur in two circumstances:

Reimbursements.—When authorized by law, amounts collected for materials or services furnished (e.g., amounts received from the public to pay expenses of providing information under the Freedom of Information Act) are treated as reimbursements to appropriations. For accounting purposes, earned reimbursements are also known as *revenues*. These collections are netted in determining outlays from such appropriations. (For distinction, see Refunds; Unfilled Customers' orders.)

Revolving Funds.—In the three types of revolving funds—public enterprise, intragovernmental, and trust revolving—collections are netted against spending and outlays are reported as the net amount.

Offsetting Receipts.—Amounts deposited in receipt accounts (i.e., general funds, special funds, or trust funds). These receipts generally are deducted from budget authority and outlays by function and/or subfunction, and by agency. Offsetting receipts are subdivided into two categories as follows:

Proprietary Receipts From the Public.—Collections from the public deposited in receipt accounts of the general fund, special funds, or trust funds as a result of the Government's business-type or market-oriented activities (e.g., loan repayment, interest, sale of property and products, charges for nonregulatory services, and rents and royalties). Such collections are not counted as budget receipts, and with one exception, are offset against total budget authority and outlays by agency and by function. The exception consists of receipts from rents and royalties from Outer Continental Shelf lands that are deducted from total budget authority and outlays for the Government as a whole rather than from any single agency or function. (*See also* Undistributed Offsetting Receipts.)

Intragovernmental Transactions.—Payments into receipt accounts from Federal appropriations or fund accounts. They are treated as an offset to budget authority and outlays, rather than as a budget receipt. Intragovernmental transactions may be intrabudgetary (where both the payment and receipt occur within the budgetary universe) or they may result from the payment of an off-budget Federal entity whose funds are excluded from the budget totals. Normally, intragovernmental transactions are deducted from both the outlays and the budget authority for the agency receiving the payment. However, in two cases, these transactions are not deducted from the figures of any agency or function. Instead, intragovernmental transactions that involve agencies' payments (including payments by off-budget Federal entities) as employers into employee retirement trust funds and the payment of interest to nonrevolving trust funds appear as special deduct lines in computing total budget authority and outlays for the Government.

Intrabudgetary transactions are further subdivided into three categories: (1) Interfund transactions, where the payment is from one fund group (either Federal funds or trust funds) to a receipt account in the other fund group; (2) Federal intrafund transactions, where the payment and receipt both occur within the Federal fund group; and (3) trust intrafund transactions, where the payment and receipt both occur within the trust fund group.

CONCURRENT RESOLUTION ON THE BUDGET

A resolution passed by both Houses of Congress, but not requiring the signature of the President, setting forth, reaffirming, or revising the congressional budget for the U.S. Government for a fiscal year.

Two such resolutions are required before the start of a fiscal year. The first, due by May 15, establishes the congressional budget targets for the next fiscal year; the second, scheduled to be passed by September 15, sets a ceiling on budget authority and outlays and a floor on receipts. Additional concurrent resolutions revising the previously established budget levels may be passed by Congress at any time. (*See also* Congressional Budget; First Concurrent Resolution on the Budget; Second Concurrent Resolution on the Budget.)

CONGRESSIONAL BUDGET

The budget as set forth by Congress in a concurrent resolution on the budget. By law the resolution includes:

- —the appropriate level of total budget outlays and of total new budget authority;
- —an estimate of budget outlays and new budget authority for each major functional category, for undistributed intergovernmental transactions, and for such other matters relating to the budget as may be appropriate to carry out the purposes of the 1974 Congressional Budget and Impoundment Control Act;
- —the amount, if any, of the surplus or deficit in the budget;
- —the recommended level of Federal receipts; and
- —the appropriate level of the public debt.

(*See also* Concurrent Resolution on the Budget; President's Budget.)

CONSOLIDATED DECISION PACKAGES

Packages prepared at higher organizational and program levels that summarize and supplement information contained in decision packages received from subordinate units in an agency. Consolidated packages may reflect different priorities, including the addition of new programs or the abolition of existing ones. (*See also* Decision Package; Zero-Base Budgeting.)

CONTROLLABILITY

The ability of Congress and the President to increase and decrease budget outlays or budget authority in the year in question, generally the current or budget year. Relatively uncontrollable refers to spending that the Federal Government cannot increase or decrease without changing existing substantive law. For example, outlays in any one year are considered to be relatively uncontrollable when the program level is determined by existing statute or by contract or other obligation (*see* Permanent Budget Authority).

Controllability, as exercised by Congress and the President, is determined by statute. In the case of Congress, all permanent budget authority is uncontrollable. For example, most trust fund appropriations are permanent, as are a number of Federal fund appropriations, and interest on the public debt, for which budget authority is automatically provided under a permanent appropriation enacted in 1847. In the case of the President, relatively uncontrollable spending is usually the result of open-ended programs and fixed costs (e.g., social security, medical care, veterans benefits—outlays generally mandated by law), but also includes payments coming due resulting from budget authority enacted in prior years, such as entering into contracts. (*See also* Allowances; Contract Authority; Entitlements.)

COOPERATIVE AGREEMENT

A form of assistance award from the Federal Government to a State or local government or other recipient to support and stimulate an activity or venture to accomplish a public purpose, and in which the Federal Government will be substantially involved during the performance of the contemplated activity. (*See also* Grants; Grants-in-Aid.)

COST-BASED BUDGETING

Budgeting in terms of costs to be incurred, i.e., the resources to be consumed in carrying out a program, regardless of when the funds to acquire the resources were obligated or paid, and without regard to the source of funds (i.e., appropriation). For example, inventory items become costs when they are withdrawn from inventory, and the cost of buildings is distributed over time, through periodic depreciation charges, rather than in a lump sum when the buildings are acquired.

Cost-based budgeting, in lieu of reflecting the obligational requirements for programs, reflects costs expected to be incurred during the budget year. When the program and financing schedules in the appendix to the President's budget are stated in terms of cost, additional entries are used to present the obligations required for inventories and other items that are not costed in the period. (*See also* Change in Selected Resources. For distinction, *see* Obligation-Based Budgeting.)

CROSS AGENCY RANKING

A process of ranking, on a Government-wide basis, the decision packages that fall within a specified margin of the President's budget total. The purpose of cross-agency ranking is to help assure that diverse programs of the same priority are considered for inclusion within the budget total recommended by the President. (*See also* Decision Package; Ranking; Zero-Base Budgeting.)

CROSSWALK

Any procedure for expressing the relationship between budgetary data from one set of classifications to another, such as between appropriation accounts and authorizing legislation or between the budget functional structure and the congressional committee spending jurisdictions. (*See also* Allocations.)

CURRENT SERVICES ESTIMATES

Presidential estimates of budget authority and outlays for the ensuing fiscal year based on continuation of existing levels of service. These estimates reflect the anticipated costs of continuing Federal programs and activities at present spending levels without policy changes, that is, ignoring all new initiatives, presidential or congressional that are not yet law.

These estimates of budget authority and outlays, accompanied by the underlying economic and programmatic assumptions upon which they are based (such as the rate of inflation, the rate of real economic growth, the unemployment rate, program caseloads, and pay increases) are required to be transmitted by the President to the Congress with the President's budget. (For a more detailed discussion of this term, see Special Analysis A of the *Special Analyses, Budget of the United States Government.*)

DEBT, FEDERAL

There are three basic tabulations of Federal debt: gross Federal debt, debt held by the public, and debt subject to statutory limit. (*See also* Authority to Borrow *under* Budget Authority.)

Gross Federal debt

Consists of public debt and agency debt and includes all public and agency debt issues outstanding:

Public Debt.—That portion of the Federal debt incurred when the Treasury or the Federal Financing Bank (FFB) borrows funds directly from the public or another fund or account. To avoid double counting, FFB borrowing from the Treasury is not included in the public debt. (The Treasury borrowing required to obtain the money to lend to the FFB is already part of the public debt.)

Agency Debt.—That portion of the Federal debt incurred when a Federal agency, other than the Treasury or the Federal Financing Bank, is authorized by law to borrow funds directly from the public or another fund or account. To avoid double counting, agency borrowing from Treasury or the FFB and Federal funds advances to trust funds are not included in the Federal debt. (The Treasury or FFB borrowing required to obtain the money to lend to the agency is already part of the public debt.) Agency debt may be incurred by agencies within the Federal budget (such as the Tennessee Valley Authority) or by off-budget Federal entities (such as the Postal Service). Debt of Government-sponsored, privately owned enterprises (such as the Federal National Mortgage Association) is not included in the Federal debt.

Debts held by the public

Part of the gross Federal debt held by the public. (The Federal Reserve System is included in "the public" for this purpose.) Debt held by Government trust funds (e.g., Social Security Trust Fund) revolving funds, and off-budget Federal entities is excluded from debt held by the public.

Debt subject to statutory limit

As defined by the Second Liberty Bond Act of 1917, as amended, it currently includes virtually all public debt. However, only a small portion of agency debt is included in this tabulation of Federal debt.

Under Public Law 96–78, approved September 29, 1979, an amendment to the Rules of the House of Representatives makes possible the establishment of the public debt limit as a part of the congressional budget process.

DEBT MANAGEMENT

Operations of the U.S. Treasury Department that determine the composition of the Federal debt. Debt management involves determining the amounts, maturities, other terms and conditions, and schedule of offerings to finance the Government's operations. The objective of debt management is to raise the money necessary for the Government's operations at least cost to the taxpayer and in a manner that will minimize the effect of Government operations on financial markets and on the economy.

DECISION PACKAGE

In zero-base budgeting, a brief justification document containing the information managers need to judge program or activity levels and resource requirements. Each decision package presents a level of request for a decision unit, stating the costs and performance associated with that level. Separate decision packages are prepared for incremental spending levels:

Minimum level

The level of performance below which it is not feasible for the decision unit to continue because no constructive contribution could be made toward fulfilling the unit's objectives.

Intermediate level

A level of performance between the minimum and current levels. There may be more than one intermediate level.

Current level

The level of performance that would be reflected if activities for the budget year were carried on at current year service or output levels without major policy changes. This level permits internal realignments of activities within existing statutory authorizations.

Enhancement level

A level where increased output or service are consistent with major objectives and where sufficient benefits are expected to warrant the serious review of higher authorities.

A series of decision packages are prepared for each decision unit. Cumulatively, the packages represent the total budget request for that unit. (*See also* Consolidated Decision packages; Cross Agency Ranking; Decision Package Set; Decision Unit; Decision Unit Overview; Ranking; Zero-Base Budgeting.)

DECISION PACKAGE SET

Consists of decision unit overview and the decision packages for the decision unit. (*See also* Decision Package; Decision Unit; Decision Unit Overview; Zero-Base Budgeting.)

DECISION UNIT

In zero-base budgeting, that part (or component) of the basic program or organizational entity for which budget requests are prepared and for which managers make significant decisions on the amount of spending and the scope or quality of work to be performed. (*See also* Decision Package; Decision Package Set; Zero-Base Budgeting.)

DECISION UNIT OVERVIEW

The part of a decision package set that provides information necessary to evaluate and make budget decisions on each of the decision packages, without repeating the same information in each package. (*See also* Decision Package; Decision Package Set; Zero-Base Budgeting.)

DEFERRAL OF BUDGET AUTHORITY

Any action or inaction by an officer or employee of the United States Government that temporarily withholds, delays, or effectively precludes the obligation or expenditure of budget authority, including authority to obligate by contract in advance of appropriations as specifically authorized by law. Deferrals consist of (a) amounts reserved for contingencies pursuant to the Antideficiency Act (31 U.S.C. 665), and (b) amounts temporarily withheld for other reasons pursuant to the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344; 31 U.S.C. 1403).

Deferrals may not extend beyond the end of the fiscal year in which the message reporting the deferral is transmitted and may be overturned by the passage of an impoundment resolution by either House of Congress. (*See also* Antideficiency Act; Apportionment; Budgetary Reserves; Impoundment; Impoundment Resolution; Rescission.)

DEFICIENCY APPORTIONMENT

A distribution of available budgetary resources for the fiscal year that anticipates the need for supplemental budget authority. Such apportionments may only be made under certain specified conditions provided for in law (Antideficiency Act. 31 U.S.C. 665(a) and 665 (e)). In such instances, the need for additional budget authority is usually reflected by making the amount apportioned for the fourth quarter less than the amount that will actually be required. Approval of requests for deficiency apportionment does not authorize agencies to exceed available resources within an account. (*See also* Antideficiency Act; Apportionment; Deficiency Appropriation; Supplemental Appropriation.)

DEFICIENCY APPROPRIATION

An appropriation made to an expired account to cover obligations that have been incurred in excess of available funds.

Deficiency appropriations are rare since obligating in excess of available funds generally is prohibited by law. Deficiency appropriation is sometimes erroneously used as a synonym for supplemental appropriation. (*See also* Antideficiency Act: Apportionment; Deficiency Apportionment; Supplemental Appropriation.)

DEFICIT FINANCING

A situation in which the Federal Government's excess of outlays over receipts for a given period is financed primarily by borrowing from the public.

DE-OBLIGATION

A downward adjustment of previously recorded obligations. This may be attributable to cancellation of a project or contract, price revisions, or corrections of estimates previously recorded as obligations.

DIRECT LOANS

A direct loan is a disbursement of funds (not in exchange for goods or services) that is contracted to be repaid—with or without interest—on any of the following transactions:

—direct Federal participation in loans privately made or held:

—purchase of private loans through secondary market operations; and,

—acquisition of guaranteed private loans or collateral in satisfaction of default or other guarantee claims.

For informational purposes, transactions similar to direct loans are sometimes displayed, for example:

—sale of Federal assets on credit terms for more than 90 days duration;

—investments in obligations or preferred stock of any privately owned enterprises; and

—deferred or delinquent interest that is capitalized.

Direct loans, unlike loan guarantees, are included (net of repayments) as outlays in the budget. For a more detailed discussion, see Federal Credit Programs in Special Analysis F of the *Special Analyses, Budget of the United States Government.* (*See also* Loan Guarantee; Loan Insurance.)

ENTITLEMENTS

Legislation that requires the payment of benefits (or entitlements) to any person or unit of government that meets the eligibility requirements established by such law. Authorizations for entitlements constitute a binding obligation on the part of the Federal Government, and eligible recipients have legal recourse if the obligation is not fulfilled. Budget authority for such payments is not necessarily provided in advance, and thus entitlement legislation requires the subsequent enactment of appropriations unless the existing appropriation is permanent. Examples of entitlement programs are social security benefits and veterans compensation or pensions. Section 401(b) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1351(b)) imposes certain limits on the use of entitlements. (*See also* Authorizing Legislation; Controllability; Spending Authority; Spending Legislation.)

EXCHANGE OF ASSETS

The movement of money between the International Monetary Fund (IMF), or similar organizations, and the Department of Treasury.

The Government's deposits with the IMF are considered to be assets. Therefore, the movement of money between the IMF and the Department of the Treasury is not in itself considered a receipt or an outlay, borrowing or lending. Changes in these holdings are outlays only to the extent that there is a realized loss, and are offsetting collections only to the extent that there is a realized profit on the exchange.

EXPENDED APPROPRIATION

The amount of expenditures (outlays) during the current fiscal year net of refunds to the appropriation made from general funds, special funds, and trust funds.

EXPENDITURES

With respect to provisions of the Antideficiency Act (31 U.S.C. 665) and the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1301, note), the term expenditures has the same definition as outlays. (*See* Outlays; for distinction, *see* Accrued Expenditures.)

EXPENDITURE TRANSACTIONS

For accounting and reporting purposes, transactions between appropriation and fund accounts which represent payments, repayments, or receipts for goods or services furnished or to be furnished. Expenditure transactions are recorded as obligations/outlays of the transferring accounts and as reimbursements/receipts of the receiving accounts. (*See also* Nonexpenditure Transactions; Transfer Between Appropriation Accounts; Transfer of Funds.)

EXPIRED ACCOUNT

An account in which authority to incur obligations has lapsed but from which outlays may be made to pay existing obligations and liabilities previously incurred, as well as valid adjustments thereto. This includes successor accounts established pursuant to 31 U.S.C. 701–708. (*See also* "M" Account; Obligated Balance *under* Balances of Budget Authority.)

FEEDER ACCOUNT

Certain appropriation and revolving fund accounts whose resources are available only for transfer to other specified appropriation or revolving fund accounts.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

The resolution, containing Government-wide budget targets of receipts, budget authority, and outlays that guides Congress in its subsequent consideration of appropriations and revenue measures. It is required to be adopted by both Houses of Congress no later than May 15, pursuant to the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1324). (*See also* Concurrent Resolution on the Budget; Second Concurrent Resolution on the Budget.)

FISCAL POLICY

Federal Government policies with respect to taxes, spending and debt management, intended to promote the nation's macroeconomic goals, particularly with respect to employment, gross national product, price level stability, and equilibrium in balance of payments. The budget process is a major vehicle for determining and implementing Federal fiscal policy. The other major component of Federal macroeconomic policy is monetary policy. (*See also* Monetary Policy defined in the Economic Terms section of this glossary.)

FISCAL YEAR

Any yearly accounting period, without regard to its relationship to a calendar year.

The fiscal year for the Federal Government begins on October 1 and ends on September 30. The fiscal year is designated by the calendar year in which it ends; for example, fiscal year 1980 is the year beginning October 1, 1979, and ending September 30, 1980. (Prior to fiscal year 1977, the Federal fiscal year began on July 1 and ended on June 30.)

Budget year

The fiscal year for which the budget is being considered; the fiscal year following the current year.

Current year.

The fiscal year in progress.

Prior year.

The fiscal year immediately preceding the current year.

FULL EMPLOYMENT BUDGET

The estimated receipts, outlays, and surplus or deficit that would occur if the U.S. economy were continually operating at full capacity (traditionally defined as a certain percentage of the unemployment rate of the civilian labor force). (*See also* Employment and Labor Force defined in the Economic Terms section of this glossary.)

FULL FUNDING

Provides budgetary resources to cover the total cost of a program or project at the time it is undertaken.

Full funding differs from incremental funding where budget authority is provided or recorded or only the portion of total estimated obligations expected to be incurred during a single fiscal year. Full funding is generally discussed in terms of multi-year programs whether or not obligations for the entire program are made in the first year. For further discussion of this term, see U.S. General Accounting Office, *Further Implementation of Full Funding in the Federal Government*, PAD–78–80, September 7, 1978. (For distinction, *see* Incremental Funding; Multiple-Year Authority *under* Budget Authority; Multi-Year Budget Planning.)

FUNCTIONAL CLASSIFICATION

A system of classifying budget resources by function so that budget authority and outlays of budget and off-budget Federal entities, loan guarantees, and tax expenditures can be related in terms of the national needs being addressed.

Budget accounts are generally placed in the single budget function (e.g., national defense, health) that best reflects its major end purpose addressed to an important national need, regardless of the agency administering the program. A function may be divided into two or more subfunctions depending upon the complexity of the national need addressed by that function.

For budget presentation purposes, each budget function is described in the context of national needs being served, and the subfunctions are described in the context of the major missions devoted to meeting national needs. For a presentation of the budget in terms of functional categories, see Attachment B in this glossary. (For distinction, *see* Object Classification; Activity; Agency Missions; National Needs.)

GOVERNMENT-SPONSORED ENTERPRISES

Enterprises established and chartered by the Federal Government to perform specific functions under the supervision of a Government agency. Since they are private corporations, they are excluded from the budget totals. Detailed budgets and explanatory statements of these enterprises are presented in Part VI of *The Budget of the United States Government, Appendix.* (For distinction, *see* Mixed-Ownership and Wholly Owned Government Corporation; *see also* Off-Budget Federal Entities.)

GRANTS

Assistance awards in which substantial involvement is not anticipated between the Federal Government and the State or local government or other recipient during the performance of the contemplated activity. Such assistance is not limited to a State or local government as in the case of grants-in-aid. (See Public Law 95–224, "An Act To Distinguish Federal Grant and Cooperative Agreement Relationships from Federal Procurement Relationships and for Other Purposes.")

The two major forms of Federal grants are block and categorical. Block grants are given primarily to general purpose governmental units in accordance with a statutory formula. Such grants can be used for a variety of activities within a broad functional area. Examples of Federal block-grant programs are: Partnership for Health Act of 1966, Omnibus Crime Control and Safe Streets Act of 1968, Comprehensive Employment and Training Act of 1973, Housing and Community Development Act of 1974, and the 1974 Amendments to the Social Security Act of 1935 (title XX).

Categorical grants can be used only for a specific program and are usually limited to narrowly defined activities. Categorical grants consists of formula, project, and formul-project grants.

Formula grants allocate Federal funds to States or their subdivisions in accordance with a distribution formula prescribed by law or administraitve regulation.

Project grants provide Federal funding for fixed or known periods for specific projects of the delivery of specific services or products. (*See also* Cooperative Agreement; Grants-in-Aid.)

GRANTS-IN-AID

For purposes of the budget, grants-in-aid consist of budget outlays by the Federal Government to support State or local programs of governmental service to the public. Grants-in-aid do not include purchases from State or local governments or assistance awards to other classes of recipients (e.g., outlays for research or support of Federal prisoners.) (*See also* Cooperative Agreement; Grants; Revenue Sharing.)

IDENTIFICATION CODE

Each appropriation or fund account in *The Budget of the U.S. Government* carries an 11-digit code that identifies: (a) the agency,

(b) the account, (c) the timing of the transmittal to Congress, (d) the type of fund, and (3) the account's functional classication. For a detailed explanation of the account identication code, see appendix C in this glossary.

IMPOUNDMENT

Any action or inaction by an officer or employee of the U.S. Government that precludes the obligation or expenditure of budget authority provided by Congress. (*See also* Deferral of Budget Authority; Impoundment Resolution; Rescission.)

IMPOUNNDMENT RESOLUTION

A resolution by either the House of Representatives or the Senate that expresses disapproval of a proposed deferral of budget authority set forth in a special message transmitted by the President as required under section 1013(a), of the Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1403).

Whenever all or part of any budget authority provided by Congress is deferred, the President is required to transmit a special message to Congress describing the deferrals. Either House may, at any time, pass a resolution disapproving this deferral of budget authority, thus requiring that the funds be made available for obligation. When no congressional action is taken, deferrals may remain in effect until, but not beyond, the end of the fiscal year. If the funds remain available beyond the end of a fiscal year and continued deferral of their use is desired, the President must transmit a new special message to Congress. (*See also* Deferral of Budget Authority; Impoundment.)

INCREMENTAL FUNDING

The provision (or recording) of budgetary resources for a program or project based on obligations estimated to be incurred within a fiscal year when such budgetary resources will cover only a portion of the obligations to be incurred in completing the program or project as programed. This differs from full funding, where budgetary resources are provided or recorded for the total estimated obligations for a program or project in the initial year of funding. (For distinction, *see* Full Funding.)

JOINT RESOLUTION

A joint resolution requires the approval of both Houses of Congress and the signature of the President, just as a bill does, and has the force of law if approved. There is no real difference between a bill and a joint resolution. The latter is generally used in dealing with limited matters, such as a single appropriation for a specific purpose.

Joint resolutions also are used to propose amendments to the U.S. Constitution. These do not require Presidential signature, but become a part of the Constitution when three-fourths of the States have ratified them.

LOAN GUARANTEE

A loan guarantee is an agreement by which the Government pledges to pay part or all of the loan principal and interest to a lender or holder of a security, in the event of default by a third party borrower. If it becomes necessary for the Government to pay part or all of the loan principal or interest, the payment is a direct outlay. Otherwise, the guarantee does not directly affect Federal budget outlays. For a more detailed discussion, see Federal Credit Program in Special Analysis F, in *Special Analyses, Budget of the United States Government.* (*See also* Direct Loans; Loan Insurance.)

LOAN INSURANCE

A type of loan guarantee whereby a Government agency operates a program of pooled risks, pledging the use of accumulated insurance premiums to secure a lender against default on the part of the borrower. (*See also* Direct Loans; Loan Guarantee.)

"M" ACCOUNT

A successor account into which obligated balances under an appropriation are transferred (merged) at the end of the second full fiscal year following expiration. The "M" account remains available for the payment of obligations and liabilities charged or chargeable to various year appropriation accounts. (*See also* Expired Account; Merged Surplus Accounts.)

MEANS OF FINANCING

Ways in which a budget deficit is financed or a budget surplus is used.

A budget deficit may be financed by Treasury (or agency) borrowing, by reducing Treasury cash balances, by allowing unpaid liabilities to increase, or by certain equivalent transactions. Conversely, a budget surplus may be used to repay borrowings or to build up cash balances.

MERGED SURPLUS ACCOUNTS

Accounts that are part of the Treasury's general fund. They represent undisbursed and unobligated balances of previously appropriated moneys for prior fiscal years which can be made available (restored) for disbursements under certain circumstances. The accounts are maintained by appropriation type (i.e., salaries and expense for X agency) without regard to the fiscal year in which the appropriation was made. Restorations are made once each year and represent amounts needed to pay obligations contained in the M accounts. (*See also* "M" Account; Unobligated Balance *under* Balances of Budget Authority; Restoration; Withdrawal.)

MISSION BUDGETING

A budget approach that focuses on output rather than input and directs attention to how well an agency is meeting its responsibilities. By grouping programs and activities according to an agency's mission or end purposes, mission budgeting facilitates identification of like programs. Missions at the highest level in the budget structure represent basic end-purpose responsibilities assigned to an agency. Descending levels in the budget structure then focus more sharply on the specific components of the mission purposes and the programs needed to satisfy them. At the lowest levels are line items—that is—the supporting activities necessary to satisfy the missions. For further discussion of this term, see U.S. General Accounting Office, *A Mission Budget Structure for the Department of Agriculture—A Feasibility Study*, PAD–80–08. (*See also* Agency Missions.)

MIXED-OWNERSHIP GOVERNMENT CORPORATION

A federally chartered enterprise or business activity in which part of the capital stock is owned by the U.S. Government and part is privately owned. Mixed-ownership government corporations are subject to audits by the General Accounting Office (GAO), as required by the Government Corporation Control Act, as amended (31 U.S.C. 857). They are also required to submit annual business-type budget statements to the Treasury and OMB in accordance with the Treasury Fiscal Requirements Manual, I–2–4100 and OMB Circular A–11, Sec. 37.1.

Despite the exclusion of off-budget entities for the budget, some of the outlays related to their operations are nonetheless included in the budget document. The Rural Telephone Bank is an example of a mixed ownership corporation and an off-budget Federal entity whose fiscal activities *are* contained in budget documents. (For distinction, *see* Government Sponsored Enterprises and Wholly Owned Government Corporations; *see also* Off-Budget Federal Entities.)

MONTHLY TREASURY STATEMENT (MTS)

A summary statement prepared from agency accounting reports and issued by the Department of Treasury. The *MTS* presents the receipts, outlays, and resulting budget surplus or deficit for the month and the fiscal year to date. (*See also* Treasury Combined Statement.)

MULTIYEAR BUDGET PLANNING

A budget planning process designed to make sure that the long-range consequences of budget decisions are identified and reflected in the budget totals. Currently, multiyear budget planning in the executive branch encompasses a policy review for a 3-year period beginning with the budget year. This process provides a structure for the review and analysis of long-term program and tax policy choices plus projections for the subsequent 2 years. (*See also* Forward Funding *under* Budget Authority; Full Funding; Projections.)

NATIONAL NEEDS

Broad areas established to provide a coherent and comprehensive basis for analyzing and understanding the budget, in terms of the end purposes being served, without regard to the means that may be chosen to meet those purposes. The budget resources devoted to meeting national needs are classified by budget functions so that budget authority and outlays of budget and offbudget Federal entities, loan guarantees, and tax expenditures can be grouped in terms of the national needs being addressed. National needs are generally described in the context of major functions, whereas agency missions devoted to serving national needs are generally described as subfunctions. (*See also* Agency Missions; Functional Classification.)

NEW SPENDING AUTHORITY

Spending authority not provided by law on the effective date (January 19, 1976) of section 401 of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1351) including any increase in or addition to spending authority provided by law on such date. However, this term does not apply to insure or guaranteed loan programs. (*See also* Spending Authority.)

NONEXPENDITURE TRANSACTIONS

For accounting and reporting purposes, transactions between appropriation and fund accounts that do not represent payments for goods and services received or to be received but serve only to adjust the amounts available in the accounts for making payments, except that transactions between accounts within the budget and deposit funds (which are outside the budget) will always be treated as expenditure transactions. Nonexpenditure transactions may not properly be recorded as obligations or outlays of the transferring accounts or as reimbursements or receipts of the receiving accounts.

The statutory restrictions on the purpose, availability, and use of appropriated funds by administrative agencies require that no change be made in the availability of funds by agencies through the use of nonexpenditure transactions unless specifically authorized by law. (*See also* Expenditure Transactions; Transfer Appropriation Accounts *under* Appropriation (Expenditure), Receipt, and Fund Accounts; Transfer Between Appropriation/Fund Accounts; Transfer of Funds.)

OBJECT CLASSIFICATION

A uniform classification identifying the transactions of the Federal Government by the nature of the goods or services purchased (such as personal compensation, supplies and materials, and equipment) without regard to the agency involved or the purpose of the programs for which they are used. Data according to object classification are provided in the Object Classification Schedule along with the corresponding Program and Financing Schedule, in *The Budget of the U.S. Government, Appendix*. *See* Explanation of Estimates in Part I of the *Budget Appendix* for detailed discussion. General instructions are provided in OMB Circular No. A–12, revised. (*See also under* Allocations; for distinction, *see* Functional Classification.)

OBLIGATIONAL AUTHORITY

The sum of (a) budget authority provided for a given fiscal year, (b) balances of amounts brought forward from prior years that remain available for obligation, and (c) amounts authorized to be credited to a specific fund or account during that year, including transfers between funds or accounts.

OBLIGATION-BASED BUDGETING

Financial transactions involving the use of funds are recorded in the accounts primarily when obligations are incurred, regardless of when the resources acquired are to be consumed. (For distinction, *see* Cost-Based Budgeting.)

OBLIGATIONS INCURRED

Amounts of orders placed, contracts awarded, services received, and similar transactions during a given period that will require payments during the same or a future period. Such amounts will include outlays for which obligations had not been previously recorded and will reflect adjustments for differences between obligations previously recorded and actual outlays to liquidate those obligations. (For legal basis of Obligations Incurred, see 31 U.S.C. 200; see also OMB Circular A–34.)

OFF-BUDGET FEDERAL ENTITIES

Certain federally owned and controlled entities whose transactions (e.g., budget authority or outlays) have been excluded from budget totals under provisions of law. The fiscal activities of these entities, therefore are not reflected in either budget authority or budget outlay totals. However, the outlays of off-budget Federal entities are added to the budget deficit to derive the total Government deficit that has to be financed by borrowing from the public or by other means. Off-budget Federal entities are discussed in Part VI, Perspectives of the Budget, of *The Budget of the U.S. Government.* Schedules and financial statements are presented in Part IV of *The Budget of the U.S. Government, Appendix.* (*See also* Government-Sponsored Enterprises; Mixed-Ownership Government Corporation; Off-Budget Outlays; Wholly-Owned Government Corporation.)

OFF-BUDGET OUTLAYS

Outlays of off-budget Federal entities whose transactions have been excluded from the budget totals under provisions of law, even though these outlays are part of total Government spending. (*See also* Off-Budget Federal Entities; Outlays.)

OUTLAYS

Obligations are generally liquidated when checks are issued or cash disbursed. Such payments are called outlays. In lieu of issuing checks, obligations may also be liquidated (and outlays occur) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemption value of bonds outstanding).

Outlays during a fiscal year may be for payment of obligations incurred in prior years (prior-year outlays) or in the same year. Outlays, therefore, flow in part from unexpended balances of prior-year budget authority and in part from budget authority provided for the year in which the money is spent.

Total budget outlays are stated net of offsetting collections, and exclude outlays of off-budget Federal entities. (*See under* Collections.)

The terms expenditure and net disbursement are frequently used interchangeably with the term outlays. (*See also* Off-Budget Outlays.)

OVERSIGHT COMMITTEE

The congressional committee charged with general oversight of the operation of an agency or program. In most cases, but not all, the oversight committee for an agency is also the authorizing committee for that agency's programs. (*See also* Authorizing Committee.)

PERSONAL SERVICES AND BENEFITS

Personnel compensation

Comprises gross compensation (before deductions for taxes and other purposes) for services of individuals, including terminal leave payments. This classification covers all payments (salaries, wages, fees) for personal services rendered to the Government by its officers or employees, either civil or military, and compensation for special services rendered by consultants or others.

Personnel benefits

Comprises cash allowances paid to civilian and military employees incident to their employment and payment to other funds for the benefit of employees. Prerequisites provided in kind, such as uniforms or quarters, and payments to veterans and former employees resulting from their employment are excluded.

Benefits from former personnel

Pensions, annuities, or other benefits due to former employees or their survivors based (at least in part) on the length of their services to the Government, other than benefits paid from funds financed from employer and/or employees contributions and premiums. Includes Federal payments to funds that provide benefits to former employees. Excludes benefits provided in kind, such as hospital and medical care, and indemnities for disability or death of former employees. (*See also* Wages and Salaries defined in the Economic Terms section of this glossary.)

PRESIDENTIAL STATEMENT OF BUDGETARY AMENDMENTS OR REVISIONS

A statement of all amendments to or revisions in the budget authority requested, the estimated outlays, and the estimated receipts for the ensuing fiscal year as set forth in the President's budget transmitted to Congress pursuant to the Budget and Accounting Act of 1921, as amended (31 U.S.C. 11(a)). The Presidential statement is required on or before April 10 and July 15 pursuant to 31 U.S.C. 11(g), and may include any previous amendments or revisions proposed on behalf of the executive branch that the President deems necessary and appropriate.

The Presidential statement transmitted on or before July 15 of any year may be included in the supplemental summary required to be transmitted during such year pursuant to the Budget and Accounting Act of 1921, as amended (31 U.S.C. 11(b)). The budget transmitted to Congress pursuant to 31 U.S.C. 11(a) for any fiscal year, or the supporting detail transmitted in connection therewith, must also include a statement of all such amendments and revisions with respect to the fiscal year in progress made before the date of transmission of such budget. (*See also* Budget Amendment; Budget Updates; President's Budget; Supplemental Summary of the Budget.)

PRESIDENT'S BUDGET

The document sent to Congress by the President in January of each year in accordance with the Budget and Accounting Act of 1921, as amended, estimating Government receipts and outlays for the ensuing fiscal year and recommending appropriations in detail. Some elements of the budget, such as the estimates for the legislative and judicial branches of the Federal Government, are "transmitted without revision." (31 U.S.C. 11). (*See also* Budget Estimates; Budget Updates; Congressional Budget; Presidential Statement of Budgetary Amendments and Revisions; Tax Expenditures Budget defined in the Tax Terms section of this glossary.)

PROGRAM

Generally defined as an organized set of activities directed toward a common purpose, or goal, undertaken or proposed by an agency in order to carry out its responsibilities. In practice, however, the term program has many uses and thus does not have a well-defined, standard meaning in the legislative process. Program is used to describe an agency's mission, programs, functions, activities, services, projects, and processes.

PROGRAM EVALUATION

In general, the process of assessing program alternatives, including research and results, and the options for meeting program objectives and future expectations. Specifically, program evaluation is the process of appraising the manner and extent to which programs

—achieve their stated objectives.

—meet the performance perceptions and expectations of responsible Federal officials and other interested groups,

—produce other significant effects of either a desirable or undesirable character.

PROJECTIONS

Estimates of budget authority, outlays, receipts, or other budget amounts that extend several years into the future. Projections generally are intended to indicate the budgetary implications of continuing current or currently proposed programs and legislation for an indefinite period of time. These include alternative program and policy strategies and ranges of possible budget amounts. Projections usually are not firm estimates of what will occur in future years, nor are they intended to be recommendations for future budget decisions. The third and fourth years beyond the current budget year (BY+3 and BY+4) are considered projections in the President's Budget.

The statutory basis for preparing and submitting projections are spelled out in the Congressional Budget and Impoundment Control Act of 1974, (Public Law 93–344, section 603) for the President's projections, and sections 308 and 403 for the Congress' and the Congressional Budget Office's projections. (*See also* Budget Estimates; Multi-Year Budget Planning.)

RANKING

In zero-base budgeting, the process by which higher level managers evaluate and array program or activity levels (as shown in decision packages) in decreasing order of priority. The ranking process results in a relative priority assigned to each decision package in the budget request. (*See also* Cross-Agency Ranking; Decision Package; Zero-Base Budgeting.)

REAPPORTIONMENT

A revision by the Office of Management and Budget of a previous apportionment of budgetary resources for an appropriation or fund account. Agency requests for reapportionment are usually submitted to OMB as soon as a change in previous apportionment becomes necessary due to changes in amounts available, program requirements, or cost factors. (For exceptions, see OMB Circular A–34, sec. 44.4.) A reapportionment would ordinarily cover the same period, project, or activity covered in the original apportionment. (*See also* Allotment; Apportionment.)

RECONCILIATION PROCESS

A process used by Congress to reconcile amounts determined by tax, spending, and debt legislation for a given fiscal year with the ceilings enacted in the second required concurrent resolution on the budget for that year. Section 310 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1331) provides that the second concurrent resolution on the budget, which sets binding totals for the budget, may direct committees to determine and recommend changes to laws, bills, and resolutions, as required to conform with the binding totals for budget authority, revenues, and the public debt. Such changes are incorporated into either a reconciliation resolution or a reconciliation bill.

Reconciliation bill

A bill, requiring enactment by both Houses of Congress and approval by the President, making changes to legislation that has been enacted or enrolled.

Reconciliation resolution

A concurrent resolution, requiring passage by both Houses of Congress but not the approval of the President, directing the Clerk of the

House or the Secretary of the Senate to make specified changes in bills or resolutions that have not yet reached the stage of enrollment. (*See also* Second Concurrent Resolution on the Budget.)

RECOVERIES OF PRIOR-YEAR OBLIGATIONS

Amounts made available in no-year and unexpired multiyear accounts through (a) downward adjustments of prior-year obligations, including amounts returned from prior-year advances to consolidated working funds; (b) downward adjustment for the difference between obligations previously recorded and outlays made in payment thereof; and (c) refunds due to the recovery of erroneous payments or accounting adjustments.

REFUNDS

Returns of advances or recoveries of erroneous disbursements from appropriation or fund accounts that are directly related to, and reductions of, previously recorded payments from the accounts. Also considered refunds are returns to the taxpayers of receipt collections in excess of liabilities (i.e., tax refunds). These refunds are recorded only if the cash is actually disbursed to the taxpayer. If the taxpayer chooses to apply credits for tax refunds to succeeding tax liabilities, the transaction is not recorded as a refund. In certain cases, payments are made under refund authority that exceed tax liabilities. Such excesses over liabilities are treated as budget outlays rather than refund of receipts. (For distinction, *see* Reimbursements. *See also under* Appropriations; Refundable Tax Credits and Tax Credits defined in the Tax Terms section of this glossary.)

REIMBURSEMENTS

Sums received by the Federal Government as a repayment for commodities sold or services furnished either to the public or to another Government account that are authorized by law to be credited directly to specific appropriation and fund accounts. These amounts are deducted from the total obligations incurred (and outlays) in determining net obligations (and outlays) for such accounts.

Anticipated reimbursements are, in the case of transactions with the public, estimated collections comprising advances expected to be received and reimbursements expected to be earned. In transactions between Government accounts, anticipated reimbursements consist of orders expected to be received but for which no orders have been accepted. (For distinction, *see* Refunds. *See also* Offsetting Collections *under* Collections; Unfilled Customers' Orders.)

REPROGRAMING

Utilization of funds in an appropriation account for purposes other than those contemplated at the time of appropriation.

Reprograming is generally accomplished pursuant to consultation between the Federal agencies and the appropriate congressional committees. It involves formal notification and, in some instances, opportunity for disapproval by congressional committees.

RESCISSION

The consequence of enacted legislation that cancels budget authority previously provided by Congress before the time when the authority would otherwise lapse (i.e., cease to be available for obligation).

The Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344; 31 U.S.C. 1402) specifies that whenever the President determines that all or part of any budget authority will not be required to carry out the full objectives or scope of programs for which the authority was provided, the President will propose to Congress that the funds be rescinded. Likewise, if all or part of any budget authority limited to a fiscal year—that is, annual appropriations or budget authority of a multiple-year appropriation in the last year of availability—is to be reserved from obligation for the entire fiscal year, a rescission will be proposed. Budget authority may also be proposed for rescission for fiscal policy or other reasons. Generally, amounts proposed for rescission are withheld for up to 45 legislative days while the proposals are being considered by the Congress.

All funds proposed for rescission, including those withheld, must be reported to Congress in a special message. If both Houses have not completed action on a rescission proposed by the President within 45 calendar days of continuous session, any funds being withheld must be made available for obligation. (*See also* Apportionment; Budgetary Reserves; Deferral of Budget Authority; Impoundment; Rescission Bill.)

RESCISSION BILL

A bill or joint resolution that provides for cancellation, in whole or in part, of budget authority previously granted by Congress.

Rescissions proposed by the President must be transmitted in a special message to Congress. Under section 1012 of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), unless both Houses of Congress complete action on a rescission bill within 45 days of continuous session after receipt of the proposal, the budget authority must be made available for obligation. (*See also* Rescission.)

RESEARCH AND DEVELOPMENT

Research is systematic, intensive study directed toward fuller scientific knowledge or understanding of the subject studied. Development is the systematic use of the knowledge and understanding gained from research, directed toward the production of useful materials, devices, systems or methods, including the design and development of prototypes and processes.

Research and development excludes routine product testing, quality control, mapping, collection of general purpose statistics, experimental production, routine evaluation of an operational program, and the training of scientific and technical personnel.

Research and development is a broad term that embraces the work performed by the Federal Government agencies and private individuals or organizations under contractual or grant arrangements with the Government. It includes all fields—education and the social sciences, as well as the physical sciences and engineering.

RESTORATION

An unobligated amount previously withdrawn by administrative action that is again made available for obligation and outlay. (For distinction, *see* Reappropriations *under* Budget Authority; *see also* Merged Surplus accounts.)

REVENUE SHARING

Federal funds distributed by formula to States and general-purpose local governments with few or no limits on the purposes for which the funds may be used and few restrictions on the procedures which must be followed in spending the funds. (*See also* Grants-in-Aid.)

SCOREKEEPING

Procedures for tracking the status of congressional budgetary actions. Examples of scorekeeping information include up-to-date tabulations and reports on congressional actions affecting budget authority, receipts, outlays, surplus or deficit, and the public debt limit, as well as outlay and receipt estimates and reestimates.

Scorekeeping data published by the Congressional Budget Offic (CBO) include, but are not limited to, status reports on the effects of congressional actions (and in the case of scorekeeping reports prepared for the Senate Budget Committee, the budget effects of potential congressional actions), and comparisons of these actions to targets and ceilings set by Congress in the budget resolutions. Periodic scorekeeping reports are required to be produced by the CBO pursuant to section 308(b) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1329).

SECOND CONCURRENT RESOLUTION ON THE BUDGET

The resolution adopted by Congress containing budget ceilings classified by function for budget authority and outlays and a floor for budget receipts. This resolution may retain or revise the levels set earlier in the year, and can include directives to the appropriations committees and to other committees with jurisdiction over budget authority or entitlement authority. The second resolution may also direct the appropriate committees to recommend changes in budget receipts or in the statutory limit on the public debt.

Changes recommended by various committees pursuant to the second budget resolution are to be reported in a reconciliation bill (resolution, in some cases) on which Congress must complete action by September 25, a few days before the new fiscal year commences on October 1. (*See also* Concurrent Resolution on the Budget; First Concurrent Resolution on the Budget; Reconciliation Process.)

SEIGNIORAGE

The difference between the face value of minted coins and the cost of their production. Seigniorage arises from the exercise of the Government's monetary powers and differs from receipts coming from the public, since there is no corresponding payment by another party. Therefore, seigniorage is excluded from budget receipts and treated as a means of financing a budget deficit, or as a supplementary amount to be applied to reduce debt or to increase the cash in the Treasury in the years of a budget surplus.

SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATION

An appropriation made available to incur obligations for which payments must be made only in U.S. owned foreign currencies that are declared in excess of the normal requirements of the United States by the Secretary of the Treasury. The appropriation is made in general fund dollar amounts credited to the account or fund generating the currency, or to miscellaneous receipts of the Treasury, as appropriate. The appropriated dollars are thereby exchanged for excess foreign currency (held in Treasury foreign currency fund amounts) that is used to make the necessary payments. (For distinction, *see* Foreign Currency Fund Accounts *under* Appropriation (Expenditure), Receipt, and Fund Accounts.)

SPENDING AUTHORITY

As defined by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344, 31 U.S.C. 1351(c)(2)), a collective designation for appropriations, borrowing authority, contract authority, and entitlement authority, for which the budget authority is not provided in advance by appropriation acts. The latter three are also commonly referred to as backdoor authority. (*See also* Backdoor Authority; Entitlements; New Spending Authority; Spending Committees; Spending Legislation.)

SPENDING COMMITTEES

The standing committees of the House and Senate with jurisdiction over legislation that permits the obligation of funds. For most programs, the House and Senate Appropriations Committees are the spending committees. For other programs, the authorizing legislation itself permits the obligation of funds (backdoor authority). When this is the case, the authorizing committees are then the committees with spending responsibility. (*See also* Authorizing Committee; Backdoor Authority; Spending Authority; Spending Legislation.)

SPENDING LEGISLATION (SPENDING BILL)

A term used in the budget scorekeeping of the Congressional Budget Office to indicate legislation that directly provides budget authority or outlays. Spending legislation includes (1) appropriations legislation, (2) legislation that provides budget authority directly without the need for subsequent appropriations action, and (3) entitlement legislation which, while requiring subsequent appropriations action, essentially "locks in" budget authority at the time of authorization (except legislation that establishes conditional entitlements, where recipients are entitled to payments only to the extent that funds are made available in subsequent appropriations legislation). (*See also* Authorizing Legislation; Backdoor Authority; Entitlements; Spending Authority; Spending Committees.)

SUBFUNCTION

Subdivisions of a budget function. For example, health care services and health research are subfunctions of the function Health. (*See also* Functional Classification.)

SUBSIDY

Generally, a payment or benefit made by the Federal Government for which there is no current charge. Subsidies are designed to support the conduct of an economic enterprise or activity, such as ship operations. They may also refer to provisions in the tax laws that provide certain tax benefits and to the provisions of loans, goods, and services to the public at prices lower than market value, such as interest subsidies. (*See also* Tax Expenditures defined in the Tax Terms section of this glossary.)

SUBSTANTIVE LAW

Statutory public law other than appropriation law; sometimes referred to as basic law. Substantive law usually authorizes, in broad general terms, the executive branch to carry out a program of work. Annual determination as to the amount of the work to be done is usually thereafter embodied in appropriation law. (*See also* Authorizing Legislation.)

SUPPLEMENTAL APPROPRIATION

An act appropriating funds in addition to those in an annual appropriation act. Supplemental appropriations provide additional budget authority beyond the original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) in cases where the need for funds is too urgent to be postponed until enactment of the next regular appropriation bill. Supplementals may sometimes include items not appropriated in the regular bills for lack of timely authorizations. (*See also* Antideficiency Act; Apportionment; Appropriation Act; Deficiency Apportionment; Deficiency Appropriation.)

SUPPLEMENTAL SUMMARY OF THE BUDGET (MIDYEAR OR MIDSEASON REVIEW)

A supplemental summary of the budget for the ensuing fiscal year transmitted to Congress by the President on or before July 15 of each year pursuant to the Budget and Accounting Act of 1921, as amended (31 U.S.C. 11(b)). With respect to that ensuing fiscal year, the summary reflects (a) all substantial alterations in or reappraisals of the estimates of expenditures and receipts, (b) all substantial obligations imposed on that budget after its transmission to Congress, (c) the actual or proposed appropriations made during the fiscal year in progress, and (d) the estimated condition of the Treasury at the end of the fiscal year if the financial proposals contained in the budget are adopted. The summary also contains any information the President considers necessary or advisable to provide the Congress and a complete and current estimate of the functions, obligations, requirements, and financial condition of the Government for that ensuing fiscal year. (*See also* Presidential Statement of Budgetary Amendments or revisions.)

TRANSFER BETWEEN APPROPRIATION/FUND ACCOUNTS

A transaction that, pursuant to law, withdraws budget authority or balances from one appropriation account for credit to another.

Withdrawals that are adjustments to obligational authority are treated as "adjustments of budgetary resources" rather than as payments. Payments to other accounts for goods or services received, or to be received, are not transfers but are outlay transactions. (*See also* Allocations; Expenditure Transactions; Nonexpenditure Transactions; Transfer Appropriation Accounts *under* Appropriation (Expenditure), Receipt, and Fund Accounts; Transfer of Funds.)

TRANSFER OF FUNDS

When specifically authorized in law, all or part of the budget authority in one account may be transferred to another account. Depending upon the nature of the transfer, these charges and credits will be treated as either expenditure transfers or nonexpenditure transfers. (*See also* Allocations; Expenditure Transactions; Nonexpenditure Transactions; Transfer Appropriation Accounts *under* Appropriation (Expenditure), Receipt, and Fund Accounts; Transfer Between Appropriation/Fund Accounts.)

TRANSITION QUARTER (TQ)

The 3-month period (July 1 to September 30, 1976) between the end of fiscal year 1976 and the beginning of fiscal year 1977 resulting from the change from a July 1 through June 30 fiscal year to an October 1 through September 30 fiscal year beginning with fiscal year 1977.

TREASURY COMBINED STATEMENT

An annual statement of budgetary results on a cash basis presented at the individual receipt and appropriation account level. It supports in detail the fiscal year-end results published in the *Monthly Treasury Statement*. (*See also* Monthly Treasury Statement.)

UNDELIVERED ORDERS

The value of goods and services ordered and obligated, but which have not been received. This amount includes any orders for goods for which advance or services payment has been made but for which delivery or performance has not yet occurred. This term is synonymous with unliquidated obligations. (*See also* Advances; Withdrawal.)

UNDISTRIBUTED OFFSETTING RECEIPTS

Composed of (a) payments to trust funds by Government agencies, as employer, for their employees' retirement, (b) interest paid to trust funds on their investments in Government securities; and (c) proprietary receipts from rents and royalties on the Outer Continental Shelf lands. Undistributed offsetting receipts are included as a separate category in the Functional Classification. (See Attachment C in this glossary.) For a more detailed discussion, see Part V, Meeting National Needs, The Federal Program by Function, *The Budget of the United States Government.* (*See also* Offsetting Receipts *under* Collections.)

UNFILLED CUSTOMERS' ORDERS

The amount of orders accepted from other accounts within the Government for goods and services to be furnished on a reimbursable basis. In the case of transactions with the public, amounts advanced or collected for which the account or fund has not yet performed the service or incurred its own obligations for that purpose. (*See also* Reimbursements.)

UNIFIED BUDGET

The present form of the budget of the Federal Government adopted beginning with the 1969 budget, in which receipts and outlays from Federal funds and trust funds are consolidated. When these fund groups are consolidated to display budget totals, transactions that are outlays of one fund group for payment to the other fund group (i.e., interfund transactions) are deducted to avoid double counting. By law, budget authority and outlays of off-budget entities are excluded from the unified budget, but data relating to off-budget entities are displayed in the budget documents.

WARRANTS

The official documents issued pursuant to law by the Secretary of the Treasury that establish the amount of money authorized to be withdrawn from the Treasury.

WHOLLY OWNED GOVERNMENT CORPORATION

A federally chartered enterprise or business activity solely owned by the Federal Government and managed by officers of the United States or persons appointed by the President. Each such corporation is required to submit an annual business-type budget statement to the Office of Management and Budget and is subject to a financial audit by the General Accounting Office, pursuant to the Corporation Control Act of 1945, as amended (31 U.S.C. 846, 847). An example of a wholly owned Government corporation is the Pension Benefit Guaranty Corporation, which is an off-budget Federal entity whose fiscal activities are excluded from the budget totals under provisions of law. (For distinction, *see* Government-Sponsored Enterprises and Mixed-Ownership Government Corporation; *see also* Off-Budget Federal Entities.)

WITHDRAWAL

The transfer of unobligated balances of an appropriation to the surplus account of the general fund, or, if appropriate, to the special or trust fund from which derived, upon expiration of the period of availability for obligation. The surplus account of the general fund, or the Surplus Fund of the Treasury, does not represent a fund consisting of unappropriated surplus or other assets as the term would ordinarily imply in accounting terminology; nor does it have any relation to surplus income. It is merely an expression of the action to give effect to an act of the Congress to withdraw or writeoff balances of certain appropriations. The amount to be withdrawn is the difference between (a) the sum of orders placed but not received (undelivered orders) and payables applicable to the appropriation less amounts collectible as repayments to the appropriation, and (2) the undisbursed balance of the appropriation. (For distinction, *see* Writeoff; *see also* Merged Surplus Accounts; Undelivered Orders.)

WORKING CAPITAL FUND

A revolving fund operating as an accounting entity in which the assets are capitalized and in which all income is in the form of receipts derived from its operations and available in their entirety to finance the fund's continuing cycle of operations without fiscal year limitation. A working capital fund is a type of intergovernmental revolving fund. (*See also* Intergovernmental Revolving Fund Accounts *under* Appropriation (Expenditure), Receipt, and Fund Accounts.)

WRITEOFF

The amount of no-year authority that is withdrawn from availability for obligation by administrative action, pursuant to 31 U.S.C. 706. A writeoff excludes amounts withdrawn from expired accounts and amounts rescinded by Congress. (For distinction, *see* Withdrawal.)

YEAR-AHEAD REQUESTS

Any request for the enactment of legislation authorizing new budget authority to continue a program or activity for a fiscal year. Year-ahead requests must be submitted to Congress no later than May 15 of the year preceding the year in which such fiscal year begins. Any request for the enactment of legislation authorizing the enactment of new budget authority for a new program or activity which is to continue for *more than 1* fiscal year is required to be submitted for at least the first 2 fiscal years. (Public Law 93–344, 31 U.S.C. 11c.)

ZERO-BASE BUDGETING

A process emphasizing management's responsibility to plan, budget and evaluate. Zero-base budgeting provides for analysis of alternative methods of operation and various levels of effort. It places new programs on an equal footing with existing programs by requiring that program priorities be ranked, thereby providing a systematic basis for allocating resources. (*See also* Consolidated Decision Packages; Cross Agency Ranking; Decision Package; Decision Package Set; Decision Unit; Decision Unit Overview; Ranking.)

ECONOMIC TERMS

Accelerated Depreciation.—A faster-than-historical rate of depreciation of a fixed asset for income tax purposes. It is a method of depreciation that makes the depreciation allowance, and hence the tax allowance, available earlier in the life of the asset. Liberalized depreciation allowances are being considered as a means to allow businesses to have more cash available for investment.

Allowances (Budget).—Lump sums included in the budget tables to cover possible additional supplemental proposals for current and pending fiscal years.

Annual Rates.—The concept of annual rates is used in reporting the components of output and incomes and in expressing rates of growth. Measurements of economic activity for time periods of less than a year are converted to what the measure would be if that level of activity prevailed for an entire year.

Authorization.—In enacting legislation, Congress first *authorizes* an agency to carry out a particular program, and grants *budget authority* in a separate, subsequent appropriation.

Automatic Stabilizer.—(Built-in stabilizer.) An economic shock absorber that helps smooth the swings of income and prices without constant changes in government policy. Personal and corporate income taxes and unemployment insurance are among the most important stabilizers in the United States. For example, unemployment benefits go into effect automatically when unemployment rises, and recessionary effects are tempered.

Backdoor Financing.—A method of financing Federal programs bypassing regular appropriations procedures. There are four types: Contract authority, borrowing authority, mandatory entitlements, and permanent appropriations.

Basis Point.—A unit of measure used for interest rates and bond yields. One basis point equals one-hundredth of a percent. An increase of 50 basis points would be from 5.50 percent to 6.00 percent, for example.

Budget (Federal).—There are two major ways of defining the Federal budget, the *Unified Budget basis* and the *NIA Budget basis*:

Unified Budget.—The Unified Budget is the concept used for Budget Resolutions and Congressional and Administrative action on the Federal budget. It measures the transactions of the government with the public, and covers two principal kinds of funds—Federal funds and trust funds (i.e., Social Security, Highway Trust Fund). It combines the receipts and outlays of both types of funds after deducting transactions of these funds with each other.

National Income Account Budget (NIA).—This measures receipts and expenditures of the Federal sector of the national income accounts which is a comprehensive method of collecting data to study aggregate economic activity. Federal receipts and expenditures in the NIA accounts differ from the unified method of budget accounting. Some things are included in the NIA (such as administrative expenses of certain off-budget agencies) that are excluded in the unified budget. The NIA accounts are on an accrual basis, the unified on a cash paid basis. NIA estimates are reported by the Bureau of Economic Analysis quarterly at annual rates.

Budget Ceiling.—Set by second concurrent resolution of the Congressional Budget Committee.

Capacity.—The maximum output a firm or industry can produce operating on its usual schedule with existing plant and equipment.

Capacity Utilization Rate.—The ratio of the actual operating output of a plan to what it could produce using total capacity. This measure is a key factor in evaluating the short-run business outlook, especially with regard to investment in facilities for expansion.

Capital.—Plants, machinery, stocks of finished and unfinished materials, used in the production of other goods. Capital, land and labor make up the three major factors of production.

Capital Goods.—Produced goods used in the production of other goods, including factory buildings, machinery, locomotives, trucks and tractors.

Capital Expenditure (Capital Investment).—The amount of money spent for a capital good. Capital expenditures by business are a key indicator of a country's economic activity. Fixed investment is investment in property, plant and equipment.

Capital Shortage.—A dearth of private investment. The trend can be measured by observing the ratio of business fixed investment to GNP in constant prices, over time.

Capital Stock.—Amount of plant and equipment available at any point in time. Also called Productive Capacity.

Central Bank.—See Federal Reserve System.

Certificate of Deposit.—A form of time deposit at a bank or savings institution; a time deposit cannot be withdrawn before a specified maturity date without being subject to an interest penalty for early withdrawal. Small denomination CD's are often purchased by individuals; large CD's of $100,000 or more are often in negotiable form, meaning they can be sold or transferred among holders before maturity.

Constant Dollar (also Real Dollar).—A statistical value series in which the effect of changes in purchasing power (i.e. price increases or decreases) has been removed. Constant dollar estimates are expressed in terms of the purchasing power that existed during some base year. Commonly used to relate GNP, personal income, sales or profits to a base period. The process of converting current dollar values into constant dollar values is generally called deflating.

Consumer Price Index.—The CPI is a measure of the average change in prices over time of a fixed market basket of goods and services. Prices for food, clothing, transportation, housing, medical and other goods and services are collected in 85 urban areas across the country. Effective with the January 1978 index, two separate indexes are now published: (1) a new CPI for All Urban Consumers (CPI–U) which covers about 80 percent of the civilian population, and (2) a revised CPI for Urban Wage Earners and Clerical Workers (CPI–W), which represents about half the population covered by the CPI–U. The CPI–U is the most commonly used and discussed measure of inflation; Federal indexed programs, however, are linked with the CPI–W.

Countercyclical Action.—A Government effort to combat the cyclical instability of the private enterprise system. Such action can take many forms, including fiscal policy, monetary policy, and transfer payments. The objective of such actions is to eliminate the effects on the national economy of these periodic fluctuations and to stabilize national income and production.

Crunch.—A shortage of credit. The flow of new credit into the economy can be regulated by several different methods available to the Federal Reserve System.

Current Dollar (*also Nominal Dollar*).—Dollar value at the present time or the time under discussion.

Current Services Budget.—Estimated outlays and proposed budget authority which would be required for the ensuing year if all programs and activities were to be carried on with no changes in policy.

Debt. Gross Federal Debt.—Gross public debt (securities issued by the U.S. Treasury) plus debt issued by U.S. Government agencies.

Public Debt Subject to Limitation.—**Gross public debt less debt issued by U.S. Government agencies and certain small debt items that were not included in the original debt limit legislation enacted by Congress.**

External Public Debt.—**Held by foreign and international investors, mostly institutions, such as governments and central banks. In 1974 this group held $58 billion.**

Debt Ceiling **(*Limit*).—A limitation set by Congress stipulating that the public debt shall not exceed a certain maximum.**

Debt Limit.—**See Debt ceiling.**

Debt Held by the Public.—**Gross Federal debt less debt held by the Federal Reserve System and other Federal Government accounts (mainly trust funds).**

Deferral.—An executive branch action delaying obligation of budget authority. See Impoundment, Rescission.

Deficit.—The excess of annual expenditures over annual revenues in the Federal budget.

Deflator.—To deflate is to convert current dollar values into constant dollars (i.e., adjust for price changes). The U.S. Department of Commerce has developed an implicit price deflator which measures in a rough way the general price level of the whole economy and is a comprehensive index of all final goods. It is used to convert GNP into constant dollars.

Deflation.—A decrease in the general price level.

Demand Deposit (*checkbook money*).—A bank deposit which can be withdrawn by the depositor without notice and does not earn interest. Possessing many of the characteristics of circulating money, demand deposits are counted as part of the total money supply.

Devaluation.—A decline in the value of the nation's currency in relation to the currency of other countries.

Disposable Personal Income.—See Personal Income.

Discount Rate (*Rediscount Rate*).—The interest rate a commercial bank pays when it borrows from a Federal Reserve Bank. The Federal Reserve authorities use the discount rate as a tool of monetary policy, raising the rate to prevent inflation and lowering it to stimulate loans and investments.

Disintermediation.—The removal of funds from interest-bearing accounts in savings and commercial banks and reinvestment at higher yields in short-term (especially government) securities.

Discouraged Workers.—See Unemployment.

Econometrics.—A subdiscipline using mathematical techniques to test and apply economic theories. The resulting mathematical and statistical relationships (e.g., expenditures on new residential construction related to housing starts, number of households and mortgage interest rates) are used to create models of the economy.

Employment.—Defined by the U.S. Department of Labor as including all persons who work for pay or profit plus those who work without pay for 15 hours or more per week in a family business or farm. Measured by the Bureau of the Census in two series: (1) A survey of 65,000 households during the week that contains the 12th day of the month, asking who was employed and unemployed during the survey week; (2) a compilation of payroll data of civilian employment for all nonagricultural establishments, excluding proprietors, self-employed and domestic workers.

Endogenous Variables.—In econometric models, data that both influence and are influenced by the set of relationships that is being studied; a variable determined within the system itself as opposed to an exogenous variable which is determined outside the system.

Excess Reserves.--Member banks' surplus of cash and reserves above what the Federal Reserve System requires them to hold either on deposit with the Federal Reserve or in their own vault.

Exchange Rates.—The price of one nation's currency in terms of another.

Floating Exchange Rate.—The rate is not set by the nation involved but permitted to fluctuate freely in response to market forces of supply and demand.

Flexible Exchange Rate.—A somewhat more restricted version of a floating exchange rate. By buying or selling their own currency (or their holdings of other countries' currencies) nations can influence the exchange rate for their own money. Under flexible exchange rates, nations (operating usually through their central banks) have carried out transactions to offset erratic or transient influences in the international money markets. From the end of World War II until 1972, exchange rates were maintained "*pegged*" within narrow limits for long periods.

Exogenous Variables.—In econometric models, data that influence the set of relationships that are being studied, but are not themselves influenced by changes in those relationships, i.e., a variable that is determined outside the system. An example is population.

Expectations. Consumer.—Anticipation of future economic trends. This factor can be an important agent in the actual determination of future trends.

Business.—Also an anticipation of the future outlook for business. Surveys of business expectations offer some guide as to where the economy may be headed in the next few months.

Inflationary.—Anticipation of further or even higher rates of inflation may be self-fulfilling as business and consumers stockpile to beat expected future price rises.

Expenditures.—See Outlays.

External Public Debt.—See Debt.

Factor of Production.—An economic resource used in the production of a good. The three major factors are land, capital and labor.

Federal Budget, National Income Accounts Basis.—See Budget.

Federal Debt Subject to Limitation.—See Debt.

Federal Financing Bank.—This institution was set up by an act passed in 1973 to provide for coordinated and more efficient financing of federally assisted borrowings from the public of the off-budget agencies and for other purposes. Securities issued for the Bank are included in the debt ceiling but, by statute, are excluded from unified budget totals. In effect, the FFB is a conduit for agency borrowing and Government-guaranteed borrowing, replacing these activities with Treasury securities.

Federal Reserve System and Board.—The Federal Reserve is the central bank of the United States. The Federal Reserve regulates the money supply, credit, and interest rates, and acts as the bank of the

U.S. Government. About 39 percent of the banks in the United States, holding about 72 percent of the outstanding bank balances, are members of the System. The System is organized into 12 regional districts and is governed by a seven-man board appointed by the President with the approval of the Senate.

FIFO.—"First In-First Out" is an inventory accounting method which assumes that the first items purchased or produced are the first items sold.

Final Goods and Services.—See Gross National Product.

Fiscal Policy.—The use of a government's spending and revenue-producing activities to achieve specific objectives. In recent years, fiscal policy has been used to influence the rate of economic activity. Budget surpluses or deficits can be used to regulate economic stability or growth. When the Government taxes to a greater extent than it spends, for example, it causes a net reduction in the flow of income, thereby reducing aggregate demand. Conversely, when it spends a greater amount of money than is received in taxes, it stimulates the flow of national income and aggregate demand.

Floating Exchange Rate.—See Exchange Rate.

Free Reserves.—The margin by which excess reserves exceed borrowing at Federal Reserve banks. In periods of credit stringency borrowings exceed excess reserves and free reserves are negative. (*See* Excess Reserves.)

Full Employment Budget.—Two concepts are involved here, that of *full employment* and *high employment.* Full employment is an older concept of a state of the economy in which all persons who want to work can find employment without much difficulty at prevailing rates of pay; 4 percent was usually considered the maximum permissable unemployment level for a full-employment situation. More recently, however, the term *high employment* has come into use when describing the impact on the economy of the Federal budget. High employment is the employment rate that would prevail when the economy is operating at a healthy level of activity, whereas full employment refers to an economy operating at full capacity. The *high employment budget* is an analytical concept of what the Federal budget surplus or deficit would be if the economy were operating at a level of unemployment of around 5 to 6 percent. This indicates whether a proposed budget is likely to be expensive, neutral, or restrictive.

GNP Deflator.—See Deflator.

Gross National Product (GNP).—The current dollar value of final goods and services produced for sale and the imputed value of such outputs as owner-occupied dwellings and farm products consumed on the farm. Final goods and services are purchased for final use or consumption, not for resale or further processing. GNP is essentially the market value of the Nation's output of goods and services.

Net National Product.—GNP after deducting capital used in production, such as depreciation, damage to fixed capital and outlays charged to current account.

Gross Domestic Product.—GNP less the import-export differential.

Real GNP.—GNP adjusted for the effect of inflation. It is this figure which is commonly used to assess the current level of the Nation's economic activity.

Gross Private Domestic Investment.—Expenditures by private business and individuals for new buildings, machines, vehicles and inventories.

Housing Starts.—The beginning of a new residential unit, counted after foundation excavation has been started. Estimated by the Bureau of the Census based on the number of building permits issued, adjusted for lags, and also on surveys.

Impoundment.—Executive action which effectively precludes the obligation and thus the expenditure of available funds. *See* Deferral also.

Incomes Policy.—A Government effort to affect money incomes and the price level, usually in order to reduce inflation. Incomes policies range from informal pressure on a few corporations and unions to the formal review of price and wage increases to even more formal schemes based on the tax system (tax-based incomes policies or TIP).

Industrial Production Index.—A weighted measure of the output of United States manufacturing, mining and utility industries, reported monthly by the Board of Governors of the Federal Reserve System.

Inflation.—A persistent rise in the general price level, resulting in a decline of purchasing power.

Commodity Market Inflation.—A large and sudden increase in the price of many raw materials. It has been ascribed by some as the cause of recent world-wide inflation. See also Deflator, WPI and CPI.

Insured Unemployment.—See Unemployment.

INTEREST RATES

Prime Rate.—The rate charged by commercial banks to their most credit-worthy business customers on short-term loans. The prime rate is the base from which rates charged on loans to other business customers are scaled upwards.

Discount Rate.—This is the charge on loans made to member commercial banks by the Federal Reserve System. This influences the cost to the member banks of money, and in turn how much they charge their customers for loans.

Inventory. Change.—The change in the level of total business inventories in a given period, a factor having an important impact on economic activity and a major role in economic fluctuations.

Inventory Accumulation may be voluntary or involuntary. If it is in response to demand, it stimulates production. However, if the level of inventories becomes too high, production is slowed until the excess is sold.

Inventory-Sales Ratio.—The ratio between stock of goods and sales or shipments in a given period.

Inventory Valuation Adjustment.—A computation of the U.S. Department of Commerce in its calculation of the national income, devised to compensate for over- or under-statements of profits arising from price changes. Since materials consumed in production are valued at original instead of replacement cost, profits tend to be overstated as the cost of materials rise and vice versa.

Investment Tax Credit.—Credit given to corporations for investment to offset their tax liability.

LIFO.—Last In-First Out, is an inventory accounting method which assumes that the last items purchased or produced are the first items sold. See "FIFO" also.

Macroeconomics.—Economic analysis concerned with aggregate rather than individual data, for example, total consumption, employment or income, or with a study of the general price level as opposed to the prices of individual commodities. It shows how money and banking are related to income analysis, how fiscal and monetary policy deal with the aggregate system. See Microeconomics also.

Marginal Analysis.—A study of the addition to a total added by one extra item.

Marginal Cost . . . is the extra cost of producing one extra unit, calculated by subtracting total dollar costs of adjacent outputs.

Marginal Utility . . . is the addition to a consumer's total satisfaction (psychological utility) by the purchase of one last unit of a good.

The Law of Diminishing Marginal Utility states that with successive new units of a good, the consumer's total utility will grow at a slower rate because of the tendency of appreciation of a good to become less keen.

Marginal Productivity is the extra product or output added by one extra unit of a factor (i.e., land, labor, capital or management), all other factors held constant.

Microeconomics.—Economic analysis concerned with individual rather than aggregate data, for instance the study of the individual firm as opposed to some collective total of firms. It deals with the division of total output among industries, products and firms and the allocation of resources among competing uses, with the determination of relative prices of particular goods. See Macroeconomics also.

Model. Economic.—An equation or set of equations describing what are believed to be the causal relationships in economic data. Also, the expression of a theory with mathematic symbols or diagrams.

Aggregative Model.—An econometric model containing variables whose individual observations represent aggregates such as, for example, total gross national product or corporate profits.

Money. Supply.—The Federal Reserve Board publishes a series of money supply figures, which are progressively expanded to encompass increasingly broadened concepts of the money supply. *M1–A*, the narrowest of the measures, is composed of demand deposits at commercial banks plus currency in circulation. *M1–B* is M1–A plus interest-earning checkable deposits, such as "NOW" accounts and credit union share drafts.

Monetary Policy.—Management of the money supply, under the direction of the Board of Governors of the Federal Reserve System, with the aim of achieving price stability and full employment. Government actions in guiding monetary policy include currency revaluation, credit contraction or expansion, rediscount policy, regulation of bank reserves and the purchase and sale of government securities. See also Fiscal Policy, Federal Reserve System.

Multiplier.—The amount by which the change in investment should be multiplied to show the ultimate increase in income is called the multiplier. An increase in investment, for example increases national income by a magnified amount, because the increase in income is spent by the recipients. This increase in income is again respent creating income for a third round of recipients, and so forth.

National Debt.—See Debt.

National Income.—The total earnings of the factors of production in the nation's economy in a given year.

National Income and Product Accounts.—Record the two sides of economic activity—the product produced, such as consumption goods, investment goods, and exports, for example, and the income generated from that production, such as wages and salaries and corporate profits.

National Income Accounts Budget.—See Budget.

Negative Income.—See Welfare.

New Obligational Authority (*NOA*).—Synonym for budget authority. The authority Congress gives to Government agencies, permitting them to enter into obligations requiring either immediate or future payment of money.

Off-Budget Agencies.—Agencies which are federally owned and controlled but whose transactions have been excluded from the budget totals under provisions of law.

Off-Setting Receipts.—Those receipts deducted from spending in calculating total outlays and including receipts from: revolving funds, reimbursements and refunds, proprietary receipts from the public (loan repayments, interest, sale of property and products, charges for nonregulatory services, rents and royalties, etc.), intragovernmental transactions, including payments from one trust fund to another, from Federal funds to trust funds, or vice versa.

Opportunity Cost.—The value of the productive resources used in producing one good instead of another. The real cost of producing an automobile, for instance, is the value of other things that could not be produced because the resources used in making the auto were no longer available.

Outlays.—At one time a distinction was made between budget expenditures and net lending with the sum of the two being called outlays. Starting in 1973, expenditures and net lending were combined as outlays.

Personal Income.—As defined by the U.S. Department of Commerce, current income from all sources, including transfer payments from Government and business but excluding transfer payments from other sources. It is a measure of income before taxes have been deducted.

Disposable Personal Income, that remaining after deduction of personal taxes and other fees paid to government.

Phillips Curve.—A statistical relationship, postulated by A. W. Phillips of the London School of Economics after studying a century of British data, showing an inter-dependency between inflation and unemployment—the lower the unemployment rate the higher the rate of inflation and vice-versa. Studies of U.S. data have not shown quite such a clear-cut relationship. Recent experience with high rates of unemployment accompanying high rates of inflation are clearly an aberration from this hypothesis.

Planning, Economic.—Governmental direction of the economy. In a modified free enterprise system, a government may take action to offset a recession, such as the institution of public works to offset unemployment, reduction of taxes to increase purchasing power, lowering of interest rates to encourage investment, encouragement of economic growth or prevention of inflation. Under total economic planning, the government determines the quality and quantity of each type of good to be produced, the training and geographic dispersion of workers, etc.

Prime Rate of Interest.—See Interest.

Producer Price Indexes.—This series is compiled monthly by the Bureau of Labor Statistics, and measures average changes in prices received in primary markets of the United States by producers of commodities in all stages of processing. Until April 1978, these data were presented as the Wholesale Price Index. These are 3 major indexes:

***Finished Goods.*—This refers to commodities that will not undergo further processing and are ready for sale, such as an automobile.**

***Intermediate Goods.*—This refers to commodities which have been partially processed but are not yet finished goods, for instance, sheets of special steel that will be used in making auto bodies.**

***Crude Goods.*—Commodities which are entering the market and are not yet processed, such as raw iron ore which will be used to make steel sheet metal.**

Production Function.—The technical relationship showing the maximum amount of output that can be produced with a given set of inputs (or factors of production).

Productivity.—The amount of goods and services produced per unit of labor or capital or both. The most commonly used measure is the ratio of output to hours worked, for example, the output of automobiles per hour. Anything that raises output in relation to labor and capital leads to an increase in productivity. Recently, U.S. productivity growth has fallen causing productivity growth to be a major area of public policy concern.

Public Employment.—Employment in programs set up by the government to relieve joblessness. This country's first experience with public employment began with the Depression in the thirties.

***Public Service Employment.*—Government-subsidized employment programs in such fields as health, education and public order, which came to increasing prominence during the 1970's.**

Public Works.—Government-sponsored building or development projects, such as roads and dams, for example. Federal outlays on public works since the Depression have been used as countercyclical devices.

Receipts.—See Revenues.

Recession.—A decline in overall business activity, lasting on the average since World War II in the United States about 12 months. Officially defined and labeled by the National Bureau of Economic Research on the basis of a study of various economic indicators over a specified time. A recession is not severe enough to be denoted as a major phase of a *business cycle* and therefore not identified as a depression. *Business Cycles* are alternate expansions and contractions in business activity as measured by the gross national product, index of industrial production, employment, and income.

Synonyms for Recession: **Regression, slump, downturn or downswing, slack, contraction.**

Measures to combat recession are referred to as: **Antirecession, countercyclical, stimulative, temporary recovery program.**

Recovery.—An increase in business activity after the low point of a depression or recession has been reached.

Rescission.—A Congressional action that cancels budget authority previously granted but still unused and available for obligation. See also Deferral, Impoundment.

Restrictive Policies.—Used by the fiscal and monetary authorities to help dampen the excessive upward swings of the business cycle. Fiscal policy uses taxation and public expenditures, increasing taxes or lowering the deficit, to restrain an economy with an inflationary gap. Restrictive monetary policy attempts to cut money supply growth, raise interest rates, etc.

Antonym: Expansionary policies.

Revenues.—Government income from taxation, duties, etc.

Revenue Sharing, General.—The earmarking of a portion of Federal revenues for distribution to states and localities according to set formulas.

Savings Rate.—The savings rate is defined as the ratio of personal savings (disposable personal income less personal outlays) to total disposable personal income. The rate may change with price and population shifts and according to consumer expectations. In 1980, for example, personal savings fell to low rates of 3 to 4 percent, as consumers, in anticipation of continuing inflation, bought goods with money they would normally have put aside as savings.

Services.—That part of the GNP consisting of intangible items, such as telephone service, air transportation, restaurant meals. This has been the fastest growing area of the U.S. economy since World War II.

Special Drawing Rights.—A new form of international liquid reserves used in settling international payments among member governments of the International Monetary Fund.

Stabilization.—The maintenane of high-level economic activity with an absence of severe cyclical fluctuations, usually measured by production, employment and prices. Population and productivity growths must be considered in setting policy. Countercyclical action includes governmental efforts to smooth out the swings in business cycles. The action can be in the form of fiscal or monetary policy, transfer payments, etc.

Stagflation.—Unemployment and inflation existing at the same time.

Tax Expenditures.—Revenue losses attributable to a special exclusion, exemption, or deduction from gross income or to a special credit, preferential rate of tax or deferral of tax liability.

Transfer Payments.—A government or business expenditure for which no goods or services are received in return, such as social security benefits, veterans' payments, and pensions.

Trust Funds.—Government-established accounts set up for the receipt and expenditure of moneys to carry out specific programs and purposes, according to the terms of a statute. Examples include the Highway Trust Fund and the Social Security Trust Fund.

Unemployment.—A condition of being unable to find a job, for people aged 16 and above, by those who are looking for one.

Unemployment Rate.—The number of jobless persons as a percentage of the total labor force. It includes those waiting to be called back to a job from which they have been temporarily laid off and those waiting to report to a new job within 30 days. Monthly estimates are made through personal interviews of a sample of households.

Discouraged Workers are those who believe prospects are so poor they could not find work if they tried, and so they give up the search. These are not counted in the Department of Labor's monthly compilation of the unemployment rate, but a quarterly survey of them is now issued.

Hidden or Disguised Unemployment.—More individuals are on the payroll than are actually required or can be profitably or efficiently employed. In less developed countries many people are not counted among the unemployed and yet a reduction in the agricultural working force would cause no reduction in total farm output.

Separation Rate.—The total number of quits (initiated by the employee), layoffs (initiated by the employer), discharges and retirements during a specified period as a percentage of total employment. A significant indicator of economic activity and a leading indicator of recession.

Unemployment Benefit.—A benefit distributed under an unemployment compensation program. Unemployment benefits vary on a State to State level.

Unemployment Insurance.—Nationwide compulsory protection for most categories of employed workers.

Unified Budget.—See Budget.

Value-Added Tax (VAT).—A tax levied at all levels of manufacture, processing and distribution, based on the selling price less the cost of materials purchased.

Welfare.—Government supplements of real or money incomes of some individuals, a transfer of purchasing power to the needy or worthy without their providing a service in return.

Guaranteed Annual Income.—There are a variety of plans for Government provision of income supplements, according to need and family size, to raise total family income to some minimum, usually above a poverty level.

Negative Income Tax (Income Maintenance).—A proposed public subsidy to those individuals whose income falls below the level for a minimum tax payment. Differs from welfare programs in that it assists the working poor, those who cannot earn enough in the marketplace to maintain what is considered a minimum for necessities. While full-time workers who do not earn enough to bring them above the minimum continue to receive help, this is phased out as their level of earnings rise.

ATTACHMENT "E"

HOUSE RULES RELATING TO THE BUDGET ACT

Rule XXIII, cl. 8, House Rules and Manual, 97th Congress, section 876(a):

At the conclusion of general debate in a Committee of the Whole on any concurrent resolution on the budget pursuant to section 305(a) of the Congressional Budget Act of 1974, the concurrent resolution shall be considered as having been read for amendment. It shall not be in order in the House or in a Committee of the Whole to consider an amendment to a concurrent resolution on the budget, or any amendment to an amendment thereto, unless the concurrent resolution as amended by such amendment or amendments (a) would be mathematically consistent (except to the extent that the amendment involved is limited by the third sentence of this clause); and (b) would contain all the matter set forth in subparagraphs (1) through (5) of section 301(a) of the Congressional Budget Act of 1974. It shall not be in order in the House or in a Committee of the Whole to consider an amendment to a concurrent resolution on the budget, or any amendment to an amendment thereto, which changes the amount of the appropriate level of the public debt set forth in the concurrent resolution as reported; except that the amendments to achieve mathematical consistency which are permitted under section 305(a)(6) of the Congressional Budget Act of 1974 may include an amendment, offered by or at the direction of the Committee on the Budget, to adjust the amount of such level to reflect any changes made in the other figures contained in the resolution.

Rule XLIX, House Rules and Manual, Ninety-Seventh Congress, section 945:

RULE XLIX

ESTABLISHMENT OF STATUTORY LIMIT ON THE PUBLIC DEBT

1. Upon the adoption by the Congress (under section 301, 304, or 310 of the Congressional Budget Act of 1974) of any concurrent resolution on the budget setting forth as the appropriate level of the public debt for the period to which such concurrent resolution relates an amount which is different from the amount of the statutory limit on the public debt that would otherwise be in effect for such period, the enrolling clerk of the House of Representatives shall prepare an engrossment of a joint resolution, in the form prescribed in clause 2, increasing or decreasing the statutory limit on the public debt by an amount equal to the difference between such limit and such appropriate level. The vote by which the conference report on the concurrent resolution on the budget was agreed to in the House (or by which the concurrent resolution itself was adopted in the House, if there is no conference report) shall be deemed to have been a vote in favor of such joint resolution upon final passage in the House of Representatives. Upon the engrossment of such joint resolution it shall be deemed to have passed the House of Representatives and been duly certified

and examined; the engrossed copy shall be signed by the Clerk and transmitted to the Senate for further legislative action; and (upon final passage by both Houses) the joint resolution shall be signed by the presiding officers of both Houses and presented to the President for his signature (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

2. The matter after the resolving clause in any joint resolution described in clause 1 shall be as follows: "During the period beginning   and ending   , the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased [or decreased] by $ (and any other provision of law providing for a temporary increase [or decrease] in such limit shall not apply)"; with the first two blanks being filled with the beginning and ending dates of the fiscal year or other period to which the concurrent resolution on the budget just agreed to relates, and with the third blank being filled with a dollar figure equal to the difference between the statutory limit on the public debt as set forth in section 21 of the Second Liberty Bond Act and the appropriate level of the public debt as set forth in such concurrent resolution.

3. The report of the Committee on the Budget of the House of Representatives accompanying any concurrent resolution on the budget under section 301(d) of the Congressional Budget Act of 1974, as well as the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget, shall contain a clear statement of the effect under this rule that the adoption by both the House and the Senate of such concurrent resolution in the form in which it is being reported (and the adoption of the joint resolution thereupon prepared and enrolled under clause 1) would have upon the statutory limit on the public debt. It shall not be in order in the House of Representatives at any time to consider or adopt any concurrent resolution on the budget (or agree to any conference report thereon) if at that time the report accompanying such concurrent resolution (or the joint statement accompanying such conference report) does not comply with the requirements of this clause.

4. Nothing in this rule shall be construed as limiting or otherwise affecting the power of the House of Representatives or the Senate to consider and pass a bill which (without regard to the procedures under clause 1) changes the statutory limit on the public debt most recently established under this rule or otherwise; and the rights of Members and committees of the House with respect to the introduction, consideration, and reporting of any such bill shall be determined as though this rule had not been adopted.

5. As used in this rule, the term "statutory limit on the public debt" means the maximum face amount of obligations issued under authority of the Second Liberty Bond Act and obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), determined under section 21 of such Act after the application of the second sentence thereof, which may be outstanding at any one time.

ATTACHMENT "F"

House Precedents Interpreting the Congressional Budget Act

Deschler-Brown, Procedure in the U.S. House of Representatives (97th Congress), Chapter 13, subchapter B, sections 6–17:

B. THE CONGRESSIONAL BUDGET PROCESS

§ 6. In General; Impoundment

§ 6.1 The Impoundment Control Act of 1974 [Pub. L. No. 93–344, § 1017(c)] authorizes privileged consideration of a "rescission bill," which is defined in § 1011(3) as a bill to "rescind, in whole or in part, budget authority proposed to be rescinded in a special message transmitted by the President under § 1012, and upon which the Congress completes action before the end of the first period of 45 calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress." For an explanation of these provisions, see 120 Cong. Rec. 38193, 38202, 93d Cong. 2d Sess., Dec. 4, 1974 [H.R. 17505].

§ 6.2 Congress is not precluded by § 1017 of the Impoundment Control Act from considering a bill, or a conference report thereon, rescinding budget authority outside of the 45-day time frame established in that law for the initial privileged consideration of that category of rescission bills which approve presidentially-proposed rescissions. 121 Cong. Reg. 8484, 8485, 94th Cong. 1st Sess., Mar 25, 1975 [conference report on H.R. 3260, rescinding certain budget authority].

§ 6.3 Under § 1011(3) of the Impoundment Control Act of 1974, only those amendments to a "rescission bill" would be germane which would either (1) strike rescissions contained in the bill, (2) change the amount proposed to be rescinded but not to a figure in excess of that recommended by the President, or (3) add rescissions recommended by the President in the same message(s) covered by the bill but not in excess of the proposed amount. 120 Cong. Rec. 38202, 93d Cong. 2d Sess., Dec. 4, 1974 [H.R. 17505, to rescind certain budget authority recommended by Presidential messages.]

§ 6.4 Section 305(a)(1) of the Budget Act, Public Law No. 93–344, and Rule XI clause 2(1)(6) provide that a concurrent resolution on the budget shall not be considered until the 10th calendar day, excluding Saturdays, Sundays, and legal holidays, following the day on which the report on the resolution has been available to the Members. Nonetheless, by unanimous consent it was made in order to consider such a concurrent resolution on or after a certain day occurring prior to the expiration of the statutory 10-day period, thereby waiving the provisions of the statute and the rule. 121 Cong. Rec. 34550, 94th Cong. 1st Sess., Oct. 31, 1975. For two other instances in which the House waived the 10-day period of availability of the report of the Committee on the Budget required by § 305(a)(1) of the Congressional Budget Act, see 122 Cong. Rec. 27816, 94th Cong. 2d Sess., Aug. 26, 1976, and 123 Cong. Rec. 12682, 95th Cong. 1st Sess., Apr. 28, 1977.

§ 6.5 Pursuant to § 305 of the Congressional Budget Act of 1974 [Pub. L. No. 93-344], procedures governing consideration of concurrent resolutions on the budget include (1) 10 hours of general debate equally divided between majority and minority parties, permitting a nondebatable motion to further limit general debate; (2) amendments considered under the five-minute rule; (3) the previous question considered as ordered on the resolution to final adoption at the conclusion of the amendment stage in Committee of the Whole without intervening motion except amendments to achieve mathematical consistency; and (4) no motion to recommit and no motion to reconsider vote on final adoption in order. 121 Cong. Rec. 2399, 94th Cong. 1st Sess., Apr. 30, 1975 [H. Con. Res. 218, setting forth the congressional budget on an aggregate basis for fiscal 1976].

§ 6.6 Pursuant to § 305 of the Congressional Budget Act of 1974, when the Committee of the Whole rises on motion at the conclusion of consideration of a concurrent resolution on the budget, the previous question is considered as ordered, no motion to recommit is in order and it is not in order to reconsider the vote by which the concurrent resolution is adopted or rejected. 121 Cong. Rec. 36159, 94th Cong. 1st Sess., Nov. 12, 1975 [H. Con. Res. 466, second concurrent resolution on the budget, fiscal 1976].

§ 6.7 Section 310(a)(2) of the Congressional Budget Act of 1974, Public Law No. 93-344, provides that the second concurrent resolution on the budget shall specify the total amount by which revenues are to be changed and direct committees having jurisdiction to determine and recommend changes in the revenue laws to accomplish such a change. Section 310(c)(1) provides that when one committee [of the House or Senate] is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House a reconciliation bill or resolution containing such recommendations. 121 Cong. Rec. 35958, 94th Cong. 1st Sess., Nov. 11, 1975 [H. Con. Res. 466].

§ 6.8 A provision in the second concurrent resolution on the budget directing the House Committee on Ways and Means and the Senate Committee on Finance to submit to their respective Houses legislation decreasing revenues by a specific amount was held not to destroy the privilege of the concurrent resolution, as such directive did not confer a privileged status upon the legislation submitted pursuant thereto and thus did not involve a change in the rules of the House, and was consistent with the authority conferred in § 310(c)(1) of the Congressional Budget Act upon the Budget Committee to include such a directive in the second concurrent resolution on the budget for a fiscal year. 121 Cong. Rec. 35958, 94th Cong. 1st Sess., Nov. 11, 1975 [H. Con. Res. 466, second concurrent resolution on the budget for fiscal year 1976].

§ 6.9 A bill reported from the Committee on Ways and Means, pursuant to a directive imposed upon that committee by both Houses under § 310(c)(1) of the Congressional Budget Act of 1974 to promptly report legislation reducing revenues consistent with the adopted second concurrent resolution on the budget, is considered under the general rules of the House and is accorded no special privileged status by that Act or by the concurrent resolution on the budget.

121 Cong. Rec. 35958, 94th Cong. 1st Sess., Nov. 11, 1975 [H. Con. Res. 466, second concurrent resolution on the budget for fiscal year 1976]. *Note:* Rule X clause 4(i) in conjunction with the Budget Act, § 310, requires that where only one committee is directed to report a bill or resolution it shall report promptly to the House but no privilege is attached. However, when the Budget Committee directs two or more committees to consider and report certain recommendations, such recommendations are to be transmitted to the Budget Committee, and that committee then is directed, under § 310 of the Budget Act, to report a reconciliation bill or resolution carrying out such recommendations. Under Rule XI clause 4(a) such a report of the Budget Committee is privileged.

§ 6.10 The House, by adoption of the conference report on the second concurrent resolution on the budget for fiscal 1976, activated the provisions of § 311(a) of the Congressional Budget Act of 1974 which provide that after enactment of a reconciliation bill mandated by the conference report, it shall not be in order in either House to consider any bill, resolution, or amendment (1) containing new budget authority for fiscal 1976 exceeding levels in the conference report or (2) reducing revenue levels below that set forth in the conference report. 121 Cong. Rec. 40204, 94th Cong. 1st Sess., Dec. 12, 1975 [conference report on H. Con. Res. 466, second concurrent resolution on the budget, fiscal 1976]. *Note:* Since the concurrent resolution contained a directive to the House Committee on Ways and Means and the Senate Committee on Finance to submit to each House a reconciliation bill to reduce federal revenues by $6.4 billion, under the provisions of § 311(a) of the Budget Act, it is the enactment of the reconciliation bill into law, and not the adoption of the concurrent resolution itself, which activates the prohibition contained in § 311 against consideration of subsequent legislation for fiscal 1976 containing new budget authority in excess of levels stated in the conference report, or containing revenue levels below that stated in the report. The two Houses later complied with the directive to reduce federal revenues by enactment of Public Law No. 94–164, wherein the Senate used H.R. 9968, passed by the House on Oct. 6, which pertained solely to the tax treatment of railroad rolling stock of foreign companies, and amended it to contain the $6.4 billion in overall tax reductions mandated by the concurrent resolution.

§ 6.11 By unanimous consent, the House may agree to consider in the House impoundment resolutions reported from the Committee on Appropriations which were privileged for consideration in Committee of the Whole under § 1017(c) of the Impoundment Control Act of 1974. 121 Cong. Rec. 41940, 94th Cong. 1st Sess., Dec. 19, 1975 [H. Res. 910, 912–916, disapproving deferrals of certain budget authorities]. *Note:* The three-day rule is not applicable to rescissions and deferrals, Rule XI clause 2(l)(6)(B). These resolutions were considered in the House because they were not subject to amendment under the Impoundment Control Act. See also 122 Cong. Rec. 5503, 94th Cong. 2d Sess., Mar. 4, 1976 [H. Res. 1058, disapproving deferral of certain budget authority].

§ 6.12 By unanimous consent, the House agreed to consider five impoundment resolutions reported from the Committee on Appropriations which were privileged for consideration in the Committee of the Whole under § 1017(c) of the Impoundment Control Act of 1974. 121 Cong. Rec. 41948, 94th Cong. 1st Sess., Dec. 19. 1975 [H. Res. 920, 922–925, disapproving deferrals of certain budget authorities]. Compare 125 Cong. Rec. p. — , 96th Cong. 1st Sess., Mar. 6. 1979 [H.R. 2439], where by unanimous consent a rescission bill reported from the Committee on Appropriations, privileged for consideration in the Committee of the Whole pursuant to the Impoundment Control Act of 1974, was considered in the House as in the Committee of the Whole.

§ 6.13 A point of order against a resolution from the Committee on Rules, which waived provisions of § 401, Public Law No. 93–344 (which section prohibited consideration of bills providing new spending authority unless that authority is to be available only to the extent provided in appropriation acts) on the ground that the Rules Committee did not have authority to waive provisions of law, was overruled, since the provisions waived were enacted as part of the rulemaking power of the House, were part of the rules of the House, and could be waived as could any other rule of the House. 121 Cong. Rec. 7676–78. 94th Cong. 1st Sess., Mar. 20. 1975 [H. Res. 337, providing for consideration of H.R. 4485, the Emergency Middle-Income Housing Act of 1975].

§ 6.14 *Note:* While under ordinary procedures, control of time for general debate in Committee of the Whole is by the chairman and ranking minority member of the reporting committee, § 305 of the Congressional Budget Act of 1974 provides that general debate on a concurrent resolution on the budget shall be equally divided between the majority and minority parties, and thus a minority Member not a committee member could control time.

§ 6.15 The Committee on Rules has reported various resolutions waiving points of order under the Budget Act. For example, the committee has reported a special order providing for consideration of a bill and (*inter alia*) waiving points of order against the consideration of the bill for (1) providing advance spending (entitlement) authority in violation of § 303(a)(4) of the Congressional Budget Act, (2) providing entitlement authority for the current fiscal year which would cause levels for budget authority and outlays in the budget resolution to be exceeded in violation of § 311(a) of the Budget Act, (3) providing new spending (contract) authority in violation of § 401 (a) of the Budget Act, and (4) providing new spending (entitlement) authority effective before the fiscal year beginning in the calendar year in which reported in violation of § 401(b)(1) of the Budget Act. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., May 17. 1979 [H.R. 111, Panama Canal Act of 1979].

§ 6.16 Section 310(f) of the Congressional Budget Act of 1974 prohibits the consideration of a resolution providing for an adjournment *sine die* before completion of the second concurrent resolution on the budget; and the prohibition even applies to a resolution which makes such an adjournment conditional on prior completion of the second budget resolution. 126 Cong. Rec. p. —, 96th Cong. 2d Sess., Oct. 1, 1980. *Note:* An appeal from the Speaker's ruling that consideration of the concurrent resolution was prohibited by § 310(f) was laid on the table, thus sustaining the Chair.

§ 7. Committee Jurisdiction; Recommendations and Reports

§ 7.1 The Congressional Budget Act of 1974 (hereinafter referred to as the Budget Act) established a standing Committee on the Budget in each House. Section 306 of the Budget Act gives the Budget Committee exclusive jurisdiction over any bill, resolution, or amendment which deals with any matter covered by a "concurrent resolution on the budget." Section 310 provides for the reporting by the Budget Committees of reconciliation bills or resolutions involving the actions of two or more committees called for in the second concurrent resolution on the budget. For further discussion of the jurisdiction of the Budget Committees, see part II of H. Rept. 95–1813 [95th Cong.].

§ 7.2 Section 306 of the Budget Act prohibits the consideration of any amendment dealing with matter within the jurisdiction of the House and Senate Budget Committees if offered to a bill or resolution not reported from the Budget Committee or discharged therefrom. See 122 Cong. Rec. 19097, 94th Cong. 2d Sess., June 18, 1976 [H.R. 10612, to reform the tax laws of the United States]. In this instance, to an omnibus revenue bill reported to the Senate from the Committee on Finance containing certain tax credits, an amendment expressing the sense of Congress that under the congressional budget process the continuation of tax credits would be offset by reductions in federal spending was held by the Presiding Officer of the Senate to violate § 306 of the Budget Act.

§ 7.3 A point of order against consideration under suspension of the rules of a bill prohibiting House or Senate consideration of a budget resolution or amendment thereto preventing increases in congressional salaries (on the ground that § 306 of the Budget Act precludes consideration in either House of a bill dealing with subject matter within the jurisdiction of the Committees on the Budget unless reported by those committees), was overruled without addressing the jurisdictional question, since the House may under suspension of the rules change its rules including statutory provisions of rules, at any time. 123 Cong. Rec. 36310, 36311, 95th Cong. 1st Sess., Nov. 1, 1977 [H.R. 9282].

§ 7.4 *Note:* The Committee on Rules and not the Committee on the Budget has jurisdiction over resolutions to limit or extend the jurisdiction of the Committee on the Budget as well as all other committees, and over resolutions prescribing special times and methods for the consideration of legislation, including concurrent resolutions on the budget. See Rule X clause 1(q).

§ 8. Resolutions on the Budget

§ 8.1 For a general discussion of resolutions on the budget, see part I of H. Rept. 95–1813 (95th Cong.).

§ 8.2 Section 311(a) of the Budget Act prohibits the consideration in either House of any bill or amendment reducing revenues for a fiscal year below the level of revenues set forth in the second concurrent resolution on the budget adopted by both Houses for that fiscal year. See 122 Cong. Rec. 34554–57, 94th Cong. 2d Sess., Oct. 1, 1976. On this occasion, in the Senate, the Chair sustained a point of order against an amendment which had the effect of reducing revenues for fiscal 1977 below the total level of revenues contained in the final concurrent resolution on the budget for that year, and while an appeal from the Chair's decision was pending the point of order was withdrawn. See also 123 Cong. Rec. 6582, 95th Cong. 1st Sess., Mar. 8, 1977 [H. Res. 360, providing for consideration of H.R. 3477, the Tax Reduction and Simplification Act of 1977].

§ 8.3 *Note:* The requirement of § 310(b) of the Budget Act, as to the completion of action on the second concurrent resolution on the budget by September 15, is directory and not mandatory in nature. In one instance, the House completed final action on the second concurrent resolution on the budget on September 16, one day after the suggested completion date set forth in § 310(b). 122 Cong. Rec. 30890, 94th Cong. 2d Sess., Sept. 16, 1976 [S. Con. Res. 139, second concurrent resolution on the budget fiscal 1977]. In another instance, the Committee on Rules reported a special order providing for the consideration in the House of a Senate-passed concurrent resolution on the budget which had not been referred to or reported by the Committee on the Budget following rejection by the House of a similar concurrent resolution reported from the Budget Committee. 125 Cong. Rec. p. —, 96th Cong., 1st Sess., Sept. 27, 1979 [H. Res. 427].

§ 8.4 The Speaker ruled that § 305(a)(2) of the Budget Act prohibits a motion to reconsider the vote whereby a concurrent resolution on the budget is agreed or disagreed to. 123 Cong. Rec. 12549, 95th Cong. 1st Sess., Apr. 27, 1977 [H. Con. Res. 195, first concurrent resolution on the budget, fiscal 1978].

§ 8.5 In response to a parliamentary inquiry, the Chairman of the Committee of the Whole state that budgetary figures agreed to in the first concurrent resolution on the budget were targets only, and did not have any direct effect on existing law, such as denying the right to payments under entitlement programs. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., May 14, 1979 [H. Con. Res. 107].

§ 8.6 The question on final adoption of a concurrent resolution on the budget, which contained one section revising the congressional budget for the fiscal year, preceded by sections setting forth budget targets for three ensuing fiscal years as well as reconciliation instructions, and followed by a final section on reporting of certain fiscal information, was divided on the demand of a Member for separate votes on the first and final portions of the resolution and then on the separable section in between. 126 Cong. Rec. p. — 96th Cong. 2d Sess., May 7, 1980 [H. Con. Res. 307].

§ 8.7 The House (and then the Senate) agreed by motion to a compromise first concurrent resolution on the budget for fiscal 1981 containing, in addition to (1) aggregate and functional category targets for that year, (2) a public debt limit for that fiscal year to be considered separately by the House pursuant to clause 2 Rule XLIX, (3) new provisions not contained in prior resolutions but included as "other appropriate procedures" under § 301(b)(2) as follows: (a) directing several committees to recommend to their budget committees by a date certain aggregate reductions in budget and spending authority and in outlays for that fiscal year; directing committees with revenue increases, and directing the Budget Committees thereafter to report to each House reconciliation bills containing those recommendations without substantive change; (b) a provision delaying certain enrollments until adoption of the second budget resolution. The House also agreed to (4) a compromise third concurrent resolution on the budget for fiscal 1980 including reconciliation instructions for that fiscal year. 126 Cong. Rec. p. — 96th Cong. 2d Sess., June 12, 1980 [H. Con. Res. 307].

§ 9. — Amendments to Resolutions

§ 9.1 Where there was pending a perfecting amendment changing several figures in a concurrent resolution on the budget, the Chair indicated in response to a parliamentary inquiry that adoption of that amendment would preclude further amendment merely changing those amended figures, but would not preclude more comprehensive amendments changing those figures and also other portions of the resolution which had not been amended. 122 Cong. Rec. 11599, 94th Cong. 2d Sess., Apr. 28, 1976 [H. Con. Res. 611, first concurrent resolution on the budget, fiscal 1977]. *Note:* The issue here was whether amendments to functional categories and/or aggregate totals could change amendments already agreed to with respect to some or all of those figures. Generally, if a limited perfecting amendment changing one functional category is agreed to, along with conforming changes in aggregate totals, another amendment further changing that category and also other functional categories not yet changed (the issue then being the relative priorities as between or among those categories) would still be in order under the rationale stated by the Chair.

§ 9.2 Pursuant to § 305(a)(3) of the Budget Act, amendments to achieve "mathematical consistency" in a concurrent resolution on the budget are in order in the House notwithstanding prior adoption by the House of amendments to the same figures. 122 Cong. Rec. 11599, 94th Cong. 2d Sess., Apr. 28, 1976 [H. Con. Res. 611, first concurrent resolution on the budget, fiscal 1977].

§ 9.3 The Chairman of the Committee on the Budget offered a perfecting amendment to achieve mathematical consistency in a concurrent resolution on the budget in Committee of the Whole rather than in the House pursuant to § 305(a)(4) of the Budget Act. 122 Cong. Rec. 11916, 94th Cong. 2d Sess., Apr. 29, 1976 [H. Cong. Res. 611, first concurrent resolution on the budget, fiscal 1977]. *Note:* The amendment was made necessary by adoption of a substitute which increased the functional category for veterans benefits and the outlay figure in the aggregate totals but which did not adjust the deficit figure accordingly.

§ 9.4 The House amended Rule XXIII by adding a new clause 8 to provide that concurrent resolutions on the budget shall be considered as having been read for amendment (and open to amendment at any point) at the conclusion of general debate. 123 Cong. Rec. 53, 95th Cong. 1st Sess., Jan. 4, 1977 [H. Res. 5, adopting the rules for the 95th Congress].

§ 9.5 Although § 301(a)(2) of the Congressional Budget Act requires that the first concurrent resolution on the budget set forth estimates of outlays for functional categories based upon allocations of total budget outlays, under the rules of the House (Rule XXIII clause 8) such resolutions are open to amendment at any point, so that the Committee of the Whole may amend the functional categories section prior to consideration of the total budget allocations. 124 Cong. Rec. 12094, 95th Cong. 2d Sess., May 2, 1978 [H. Con. Res. 559, first concurrent resolution on the budget, fiscal 1979]. In this instance, the Chairman of the Committee on the Budget objected to a unanimous consent request by a minority member of that committee that the resolution be read for amendment by sections, which would have required amendments to be offered to the aggregate totals section prior to consideration of the functional categories section.

§ 9.6 A resolution was reported from the Committee on Rules, waiving all points of order against a (nongermane) amendment revising the fiscal 1977 congressional budget, to be offered by the Chairman of Committee on the Budget to a concurrent resolution on the budget for fiscal 1978. 123 Cong. Rec. 12233, 95th Cong. 1st Sess., Apr. 26, 1977 [H. Res. 195, waiving points of order against amendment to H. Con. Res. 195, first concurrent resolution on the budget for fiscal year 1978]. Section 301(a)(6) of the Budget Act permits "such other matters relating to the budget as may be appropriate" to be included in first concurrent resolution on the budget.

§ 9.7 The Senate adopted an amendment, to a House bill temporarily extending the public debt limit, requiring the Budget Committees of the House and the Senate to report balanced budgets for fiscal years 1981 and 1982. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., Mar. 27, 1979 [H.R. 2534]. The Senate amendment, which was agreed to by the House, while requiring reports of balanced budgets, did not require that such proposals be included in concurrent resolutions on the budget. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., Apr. 2, 1979 [H. Res. 183, providing for concurring in Senate amendments to H.R. 2534].

§ 9.8 The 96th Congress adopted provisions amending Rule XXIII clause 8 to require all amendments to concurrent resolutions on the budget to be mathematically consistent. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., Jan. 15, 1979 [H. Res. 5]. *Note:* Under this rule, amendments making changes in budget authority and outlay aggregate totals must be accompanied by comparable changes in functional categories. Likewise, under this new rule, a point of order will lie against an amendment to a concurrent resolution on the budget increasing the aggregates and a functional category for budget authority and outlays but not changing the amount of the deficit. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., May 18, 1979 [H. Con Res. 107]. However, an amendment to a concurrent resolution which only transfers an amount of budget authority from one functional category to another—that is, reduces one category by a certain amount and adds the same amount to another category—need make no changes in the aggregates to achieve mathematical consistency pursuant to Rule XXIII clause 8 (point of order withdrawn). 125 Cong. Rec. p. — 96th Cong. 1st Sess., May 8, 1979 [H. Con. Res. 107].

§ 9.9 Where the House adopts a mathematically inconsistent amendment to a budget resolution, no point of order having been made, it is then in order to consider, pursuant to § 305(a)(6) of the Congressional Budget Act, an amendment necessary to achieve mathematical consistency throughout the resolution. The amendment may either change the functional categories to conform with the aggregates, or vice versa, and if such an amendment is offered in the Committee of the Whole and rejected, another amendment in different form to achieve mathematical consistency may be offered in the Committee of the Whole or in the House. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., May 14, 1979 [H. Con. Res. 107]. *Note:* Any amendment which, if adopted, requires further action by way of amendment for mathematical consistency to be achieved, cannot itself be said to be mathematically consistent. For other precedents on amendments to achieve mathematical consistency, see §§ 9.2, 9.3, supra.

§ 9.10 Concurrent resolutions on the budget may be considered in the House under a "modified closed" rule, permitting only designated amendments. For the first such rule, see H. Res. 642, 96th Cong. 2d Sess., Apr. 23, 1980.

§ 9.11 An amendment to a second concurrent resolution on the budget must be germane to the text of the resolution; and absent any demonstrable relationship to a specific provision therein, the amendment must only contain matter reaffirming or revising in a germane manner the first concurrent resolution on the budget. An amendment expressing the sense of Congress that the Impoundment Control Act be repealed for the fiscal year and calling for a review of the Budget Act and the budget process, was conceded to be not germane. 126 Cong. Rec. p. —, 96th Cong. 2d Sess., Nov. 18, 1980 [H. Con. Res. 448].

§ 10. — Conference Reports

§ 10.1 The Budget Act provides special procedures for the reporting and consideration of conference reports on budget resolutions. If the House and Senate conferees are unable to agree on a budget resolution after seven days, they must report to their Houses recommending all matters in agreement and reporting all matters in disagreement. See § 305(d). In one instance, where the conferees on a Senate concurrent resolution on the budget reported in total disagreement on the House amendment in the nature of a substitute therefor, the Senate then amended the House amendment to incorporate the provisions informally agreed upon in conference (but outside the scope of the differences with respect to some functional categories). 122 Cong. Rec. 30890, 94th Cong. 2d Sess., Sept. 16, 1976 [S. Con. Res. 139, second concurrent resolution on the budget, fiscal 1977]. In 1979, a point of order that conferees appointed on the second concurrent resolution on the budget for fiscal year 1980 had failed to report within seven days pursuant to the Budget Act of 1974, was withdrawn, after the Speaker pro tempore indicated that the matter was within the control of the conferees and that they were moving toward agreement. 125 Cong. Rec. p. — 96th Cong. 1st Sess., Oct. 19, 1979 [S. Con. Res. 36].

§ 10.2 Under the Budget Act, the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget must include an estimated allocation, based upon such concurrent resolution as recommended in the report, of the appropriate levels of total budget outlays and total new budget authority among each committee with jurisdiction over bills and resolutions providing such new budget authority. See § 302(a). In one instance, where there were technical errors in the estimated allocation of appropriate levels of budget outlays and total new budget authority among each committee of the House, contained in the joint statement accompanying the conference report on a concurrent resolution on the budget as required by § 302(a) of the Budget Act, the Chairman of the House Committee on the Budget, by unanimous consent, inserted a corrected estimated allocation in the Record. 122 Cong. Rec. 13758, 13759, 94th Cong. 2d Sess., May 13, 1976 [S. Con. Res. 109, first concurrent resolution on the budget, fiscal 1977]. *Note:* The adoption of the conference report on a concurrent resolution on the budget by both Houses triggers the reporting requirement by all House and Senate committees of their suballocations of budget outlays and new budget authority (including new spending "entitlement" authority) among their subcommittees under § 302(b). In a similar instance in the 96th Congress, following the adoption of a motion in the Senate to amend a House concurrent resolution on the budget reported from conference in disagreement, Senate committee allocations which, under § 302 of the Congressional Budget Act, should have been included in the joint statement, were inserted in the Record by unanimous consent. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., May 23, 1979 [H. Con. Res. 107]. Likewise, by unanimous consent, the Chairman of the Committee on the Budget inserted in the Record certain committee allocations under the most recently agreed to concurrent resolution on the budget, where the statement of managers on the conference report on such resolution, filed in disagreement, reflected an informal agreement reached in conference but did not reflect subsequent actions in the two Houses on the concurrent resolution. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., June 4, 1979 [H. Con. Res. 107]. See 126 Cong. Rec. p. —, 96th Con. 2d Sess., Feb. 6, 1980, where the § 302 allocations were also put in place by unanimous consent.

§ 10.3 While under § 305(a)(4) of the Budget Act there can be up to five hours of debate on a conference report on a concurrent resolution on the budget equally divided between the majority and minority parties, where the conferees report in total disagreement, debate on the motion to dispose of the amendment in disagreement is not covered by the statute and is instead under the general "hour" rule in the House. 122 Cong. Rec. 13756, 94th Cong. 2d Sess., May 13, 1976 [S. Con. Res. 109, the first concurrent resolution on the budget, fiscal 1977] and 123 Cong. Rec. 15126, 95th Cong. 1st Sess., May 17, 1977 [S. Con. Res. 19, the first concurrent resolution on the budget, fiscal 1978]. For another precedent indicating that only one hour of debate is allowed under the general rules of the House on a motion to dispose of a Senate amendment added to a budget resolution by the Senate after consideration and a conference report in disagreement, see 124 Cong. Rec. 14117, 95th Cong. 2d Sess., May 17, 1978 [S. Con. Res. 80, first concurrent resolution on the budget, fiscal year 1979].

§ 10.4 A conference report, filed in total disagreement on the first concurrent resolution on the budget for the ensuing fiscal year, contained a revision of the current year budget resolution and separate House and Senate projections for balanced budget aggregates for two future fiscal years. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., May 21, 1979 [H. Con. Res. 107].

§ 10.5 Conferees on the second concurrent resolution on the budget for fiscal year 1980 filed a conference report in disagreement together with a joint statement indicating that the managers on the part of the Senate would offer a motion in the Senate to concur in a House amendment with an amendment containing compromise budget figures and reconciliation instructions originally passed by the Senate, and that the managers on the part of the House would then offer a motion to concur in the Senate amendment with an amendment to strike the reconciliation instructions. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., Nov. 2, 1979 [S. Con. Res. 36].

§ 10.6 On the "Omnibus Reconciliation Act of 1980" considered in both Houses pursuant to the first concurrent resolution on the budget for the ensuing fiscal year, directing designated committees to report reconciliation legislation to the Budget Committees pursuant to § 310 of the Congressional Budget Act, and where those legislative committees had managed their respective portions of the bill during House consideration, the Speaker appointed five members of the Budget Committee to confer in conference on the entire bill and Senate amendment, and appointed at least six members from each legislative committee to confer in conference solely on the designated portions of the bill and Senate amendment within their respective jurisdictions. 126 Cong. Rec. p. ——, 96th Cong. 2d Sess., Sept. 18, 1980 [H.R. 7765].

§ 11. First Budget Resolution: Relationship to Consideration of Bills Providing New Budget Authority, Revenue Changes, and New Spending Authority

§ 11.1 *Note:* See part I of H. Rept. 95–1813 (95th Cong.) for a discussion of the effect of adoption of the first budget resolution as prerequisite on consideration of revenue, spending, entitlement or debt legislation for the fiscal year.

§ 11.2 Section 303(a) of the Budget Act prohibits the consideration in either House of any bill or amendment thereto containing new spending (entitlement) authority which becomes effective during a fiscal year until the adoption of the first concurrent resolution on the budget for that fiscal year. 122 Cong. Rec. 34074, 94th Cong. 2d Sess., Sept. 30, 1976 [Conf. Rept. on H.R. 13367, to extend the State and Local Fiscal Assistance Act of 1972]. In this instance, a conference report containing new spending "entitlement" authority to become effective in fiscal years 1978–1980 in amounts increased over fiscal 1977 was ruled out on a point of order under § 308(a) of the Budget Act, since the first concurrent resolution on the budget for fiscal 1978 had not yet been adopted and the increased entitlements could not be considered merely continuations of entitlement authority which became effective in the fiscal year (1977) for which a concurrent resolution had been adopted. See also 123 Cong. Rec. 25222, 95th Cong. 1st Sess., July 27, 1977 [H.R. 7171], where an amendment relating to the food stamp program was ruled out for the same reason. On this occasion, to a section of a committee amendment providing eligibility for benefits under the food stamp program and allowing an excess shelter-cost deduction not to exceed a certain dollar limit in computing household income, an amendment requiring an adjustment in the deduction ceiling, effective Jan. 1, 1979, to reflect changes in shelter and utility costs, was ruled out as providing new spending (entitlement) authority to become effective in a fiscal year for which a concurrent resolution on the budget had not yet been adopted, in violation of § 303(a)(4) of the Budget Act.

§ 11.3 The exception in § 303(b)—which permits the consideration of bills and amendments containing new budget authority which first becomes available in a fiscal year following that covered by the first concurrent resolution on the budget—does not apply to bills or amendments containing "new spending (entitlement) authority" for future fiscal years, and the consideration of such measures must await the adoption by both Houses of the targeting concurrent resolution on the budget for the fiscal year in question. 122 Cong. Rec. 34075, 94th Cong. 2d Sess., Sept. 30, 1976.

§ 11.4 The definition of new spending "entitlement" authority contained in § 401(c)(2)(C) of the Budget Act, and incorporated by reference into the prohibition in § 303(a) against consideration of future-year entitlement bills and amendments, includes revenue sharing spending authority in the form of entitlements. 122 Cong. Rec. 34075, 94th Cong. 2d Sess., Sept. 30, 1976. *Note:* The exception from the definition of new spending authority accorded to revenue sharing programs in § 401(d)(2) does not apply to new "entitlement" authority for future fiscal years, but only to entitlements immediately vesting as defined in § 401(c)(2)(C).

§ 11.5 In the Senate in response to a parliamentary inquiry, the Chair indicated that an amendment containing new spending "entitlement" authority (supplemental security income benefits for Puerto Rico, the Virgin Islands and Guam), becoming effective in fiscal 1978, was in violation of § 303(a) of the Budget Act, which precludes consideration of such an amendment until the first concurrent resolution on the budget for the fiscal year has been adopted. 122 Cong. Rec. 34551, 94th Cong. 2d Sess., Oct. 1, 1976. *Note:* Having ruled that an amendment containing new "entitlements" becoming effective in a future fiscal year would be subject to a point of order under § 303(a) of the Budget Act, the Chair indicated that a revision of that amendment vesting the entitlements just prior to the new fiscal year (in the fiscal year for which the concurrent resolution had already been adopted) might not constitute a § 303(a) violation.

§ 11.6 The Senate by overruling the decision of the Chair on a point of order determined that the Senate could, during fiscal year 1979 (but during calendar year 1978), consider bills or amendments providing revenue changes first becoming effective in fiscal year 1980 without violating § 303 of the Congressional Budget Act, which prohibits consideration of bills on amendments providing increases or decreases in revenues to become effective during a fiscal year until the first concurrent resolution on the budget for such year had been agreed to, but which excepts revenue changes first becoming effective in a fiscal year following the fiscal year to which the concurrent resolution applies (where the position of the House Committee on the Budget, as provided in an implementing report, would prohibit initial House consideration of such bills and amendments after the beginning of fiscal year 1979). 124 Cong. Rec. 33945, 95th Cong. 2d Sess., Oct. 5, 1978 [H.R. 13511, the Revenue Act of 1978].

§ 12. Waiving Points of Order Against Future-year Spending or Revenue Legislation

§ 12.1 In several instances, the House adopted a resolution waiving points of order against consideration of a bill containing new spending (entitlement) authority to vest in a fiscal year for which a budget resolution had not yet been adopted, in violation of § 303(a) of the Budget Act. 122 CONG. REC. 7396, 94th Cong. 2d Sess., Mar. 22, 1976 [H. Res. 1090, providing for consideration of H.R. 12226, Peace Corps authorization, fiscal 1977]. See also 123 CONG. REC. 23698, 95th Cong. 1st Sess., July 19, 1977 [H. Res. 666, providing for consideration of H.R. 7171, Agricultural Act of 1977]. *Note:* In this instance, the § 303(a) Budget Act waiver was necessitated by provisions increasing crop support payments for future fiscal years. See also 123 CONG. REC. 35438, 95th Cong. 1st Sess., Oct. 27, 1977 [H. Res. 826, providing a waiver of § 303(a) of the Budget Act, and for consideration of H.R. 8200, Bankruptcy Law Revision].

§ 12.2 A resolution was reported from Committee on Rules waiving all points of order against consideration of a conference report containing "new budget authority" (to incur obligations for fiscal 1977 in advance of adoption of first concurrent resolution on the budget for that year in violation of § 303(a) of the Budget Act). 122 CONG. REC. 10811, 94th Cong. 2d Sess., Apr. 13, 1976 [H. Res. 1141, waiving points of order against a conference report on H.R. 8235, federal-aid highway authorization]. 121 CONG. REC. 40846, 94th Cong. 1st Sess., Dec. 16, 1975 [H. Res. 929, providing for consideration of H.R. 8235]. 121 CONG. REC. 41437, 41438, 94th Cong. 1st Sess., Dec. 17, 1975 [H. Res. 930, providing for consideration of H.R. 9771].

§ 12.3 A resolution waived points of order against consideration of a committee substitute containing entitlement authority for fiscal 1978 prior to the adoption of the concurrent resolution on the budget for that fiscal year (in violation of § 303(a) of the Budget Act). 122 CONG. REC. 27507, 94th Cong. 2d Sess., Aug. 24, 1976 [H. Res. 1433, providing for consideration of H.R. 14070, Guaranteed Student Loan Amendments of 1976]. *Note:* A § 303(a) waiver was necessary against the committee amendment because the amendment increased the special allowance provision of the student loan program effective October 1, 1977, and increased the income factor for interest benefits effective October 1, 1977. Thus the amendment created new entitlements to become effective in a fiscal year before the concurrent resolution on the budget for that year was agreed to, a violation of § 303(a). Section 303(b) of the Budget Act excepts new "budget authority" from the prohibitions contained in § 303(a), but does not contain a comparable exception for new "spending" authority becoming effective in future fiscal years.

§ 12.4 A resolution waived points of order against consideration of the text of another bill as amendment in the nature of a substitute containing new "entitlement" authority becoming effective in a future fiscal year prior to the adoption of the concurrent resolution on the budget for that year in violation of § 303(a) of the Budget Act. 122 CONG. REC. 27833, 27834, 94th Cong. 2d Sess., Aug. 26, 1976 [H. Res. 1467, providing for consideration of H.R. 8911, Supplemental Security Income Amendments of 1976].

§ 12.5 A resolution waived points of order against consideration of a bill relating to foreign service personnel and containing new spending (entitlement) authority to become effective in a fiscal year for which a concurrent resolution on the budget had not been agreed to, in violation of § 303(a) of the Budget Act. 123 Cong. Rec. 13390 et seq., 95th Cong. 1st Sess., May 4, 1977 [H. Res. 537, providing for consideration of H.R. 6689, Foreign Relations Authorization Act for fiscal year 1978]. *Note:* Title II of the bill, which contained both future and immediate entitlements in relation to the foreign service personnel system, was cured by floor amendment.

§ 12.6 A resolution providing for consideration of a bill reported from the ad hoc Committee on Energy waived points of order against the consideration of the bill as containing increases in revenues to become effective in a fiscal year following the fiscal year for which a concurrent resolution on the budget had been adopted in violation of § 303(a) of the Budget Act. 123 Cong. Rec. 25654, 95th Cong. 1st Sess., July 29, 1977 [H. Res. 727, providing for consideration of H.R. 8444, National Energy Act of 1977].

§ 13. Legislation Authorizing New Budget Authority—May 15 Reporting Date

§ 13.1 Section 402(a) of the Budget Act prohibits consideration in the House of a bill or resolution authorizing enactment of new budget authority for a fiscal year unless that bill has been reported from committee by May 15 preceding such fiscal year. (For a discussion of the significance of the May 15 reporting date, see Part I of H. Rept. No. 95–1813.) The House may waive this requirement in a specific case (see § 13.2, infra), and has permitted, by unanimous consent, all committees to have until midnight on the 15th to file although the House would not be in session on that date. 122 Cong. Rec. 12992, 94th Cong. 2d Sess., May 7, 1976.

§ 13.2 In a number of instances, the House adopted a resolution waiving points of order against the consideration of a bill containing authorization for the enactment of new budget authority and not reported by May 15 preceding the fiscal year, in violation of § 402(a) of the Budget Act. 122 Cong. Rec. 28888, 94th Cong. 2d Sess., Sept. 1, 1976 [H. Res. 1512, providing for consideration of H.R. 14886, Presidential Transition Act Amendments]; 123 Cong. Rec. 6290, 95th Cong. 1st Sess., Mar. 4, 1977 [H. Res. 359, providing for consideration of H.R. 2846, the John F. Kennedy Center Act Amendments]; 123 Cong. Rec. 28367, 95th Cong. 1st Sess., Sept. 9, 1977 [H. Res. 728, providing for consideration of H.R. 2176, Federal Banking Agency Audit Act]; 123 Cong. Rec. 30071, 95th Cong. 1st Sess., Sept. 21, 1977 [H. Res. 620, providing for consideration of H.R. 7073, Federal Insecticide, Fungicide and Rodenticide Act]; 123 Cong. Rec. 33455, 95th Cong. 1st Sess., Oct. 12, 1977 [H. Res. 815, providing for consideration of H.R. 8390, Defense Department Supplemental Authorization Act, 1978].

§ 13.3 The House adopted a resolution waiving points of order against the consideration of a Senate bill pending in the Interstate and Foreign Commerce Committee containing a fiscal year authorization not contained in the House bill and not reported by May 15 as required by § 402(a) of the Budget Act. 122 CONG. REC. 27158, 94th Cong. 2d Sess., Aug. 23, 1976 [H. Res. 1458, providing for consideration of H.R. 14032, Toxic Substances Control Act]. *Note:* A waiver of § 402(a) against the consideration of the Senate bill was necessary since the Senate bill contained an authorization for fiscal year 1977 (although the House bill did not) and was not reported in the House by May 15, and because the Senate bill did not come within the exception of § 402(d) permitting consideration of a companion or similar bill of the Senate if the House bill is in order.

§ 13.4 The House adopted a resolution discharging the International Relations Committee from a bill and requiring immediate consideration in the House of the bill, which authorized funds for fiscal 1977 to implement a treaty. The resolution also made it in order to call up a Senate bill relating to the treaty and containing a fiscal 1977 authorization not reported by May 15 in violation of § 402(a) of the Budget Act, and waived points of order based on that violation. 122 CONG. REC. 30219, 94th Cong. 2d Sess., Sept. 14, 1976 [H. Res. 1519, providing for consideration of H.R. 14940 and S. 3557, implementation of the Treaty of Friendship with Spain]. *Note:* The House bill did not violate § 402 because it was not a new authorization for fiscal 1977, but rather an earmarking of funds already authorized by law. The Senate bill, however, provided additional 1977 authorizations, and was thus subject to a § 402 point of order.

§ 13.5 The House adopted a resolution waiving points of order against the consideration of a bill containing authorizations for the next fiscal year (1977) but reported after May 15 in violation of § 402(a) of the Budget Act. 122 CONG. REC. 33564, 33565, 94th Cong. 2d Sess., Sept. 29, 1976 [H. Res. 1580, providing for consideration of H.R. 15636, Water Resources Development Act]. *Note:* A committee substitute delayed all new authorizations until fiscal 1978—a condition required by the Budget and Rules Committees in recommending the § 402(a) waiver against the original bill and its fiscal 1977 authorizations.

§ 13.6. The House adopted a resolution waiving points of order against (1) consideration of bill creating a new Department of Energy and containing authorizations immediately effective in the current fiscal year, the bill not having been reported by May 15 of the prior year in violation of § 402(a) of the Budget Act, and (2) consideration in the House of a similar Senate bill on the Speaker's table containing immediate authorizations in violation of the same provision of the Budget Act. 123 CONG. REC. 17258, 95th Cong. 1st Sess., June 2, 1977 [H. Res. 603, providing for consideration of H.R. 6804 and S. 826, Department of Energy Organization Act]. *Note:* Under § 402(d), where a House bill has been reported by May 15 prior to the fiscal year in which authorization begins, it is then in order to consider a similar or companion Senate bill notwithstanding the provisions of § 402(a). However, if points of order under § 402(a) are waived against a House bill, they must also be waived against consideration of similar or companion Senate bill.

§ 13.7 The Committee on Rules made in order an amendment in the nature of a substitute reported by the Committee on Agriculture to one bill as an amendment in the nature of a substitute to another bill reported by that committee on which consideration had begun in the Committee of the Whole pursuant to a previous special order reported from the Committee on Rules. 123 Cong. Rec. 35990, 95th Cong. 1st Sess., Oct. 31, 1977 [H. Res. 830, providing for further consideration of H.R. 7073]. *Note:* As indicated in debate on the resolution, this procedure was necessitated by the Budget Act provisions requiring authorizations to be reported by May 15; basic authorizing legislation had been reported by May 15, but the more comprehensive legislation was reported later to be made in order as an amendment to the bill already under consideration.

§ 14. Measures Containing New Entitlement Authority

§ 14.1 Section 401(b) of the Budget Act prohibits consideration of any bill or amendment (which includes a conference report—a recommended amendment) containing new spending authority defined as an entitlement where the U.S. is obligated to make payments to recipients meeting the qualifications contained in that law, if that entitlement vests prior to the fiscal year which begins during the same calendar year in which the bill or amendment has been reported. See 122 Cong. Rec. 7650, 94th Cong. 2d Sess., Mar. 23, 1976 [conference report on H.R. 9803, providing additional funds for social services day care under title XX of the Social Security Act]. *Note:* In this case, though the bill had originally been reported in the House during 1975, the Senate amendment (nongermane) which contained the entitlement was not reported until 1976; it was determined that unless waived, a point of order would lie against the conference report if reported in 1976 and if it contained an entitlement which vested prior to the beginning of fiscal 1977 on October 1, 1976. Accordingly, in this instance, a resolution (H. Res. 1092) was reported from the Committee on Rules, waiving points of order against consideration of the conference report based on a violation of § 401(b).

§ 14.2 In numerous instances, the House has adopted a resolution waiving points of order against consideration of a bill containing new spending "entitlement" authority to become effective prior to the fiscal year beginning in the calendar year in which the bill is reported as proscribed by § 401(b) of the Budget Act. 122 Cong. Rec. 15368–70, 94th Cong. 2d Sess., May 25, 1976 [H. Res. 1214, providing for consideration of H.R. 12945, to amend laws relating to housing and community development]. *Note:* For similar waivers, see 122 Cong. Rec. 12000–02, 94th Cong. 2d Sess., Apr. 30, 1976 [H. Res. 1155, providing for consideration of H.R. 365, the Firefighters Benefits Act, and H. Res. 1156, providing for consideration of H.R. 366, the Public Safety Officers Benefits Act]; 122 Cong. Rec. 27833, 27834, 94th Cong. 2d Sess., Aug. 26, 1976 [H. Res. 1467, providing for consideration of H.R. 8911, the Supplemental Security Income Amendments of 1976]; 122 Cong. Rec. 29927, 29928, 94th Cong. 2d Sess., Sept. 13, 1976 [H. Res. 1432, providing for consideration of H.R. 13958, the Defense Officer Personnel Management Act]; 122 Cong. Rec. 32488, 32489, 94th Cong. 2d Sess., Sept. 27, 1976 [H. Res. 1548]; 123 Cong. Rec. 13884, 95th Cong. 1st Sess., May 6, 1977 [H. Res. 541, providing for consideration of H.R. 6655, the Housing and Community Development Act of 1977]; 123 Cong. Rec. 23698, 95th Cong. 1st. Sess., July 19, 1977 [H. Res. 666, providing for consideration of H.R. 7171, the Agricultural Act of 1977]. See also 122 Cong. Rec. 27507, 94th Cong. 2d Sess., Aug. 24, 1976 [H. Res. 1433, providing for consideration of

H.R. 14070, the Guaranteed Student Loan Amendments of 1976]. *Note:* The measure needed a waiver of § 401(b) of the Budget Act because it extended the Insured Student Loan Program Insurance Fund authority, through the transitional period, July 1 to September 30, 1976, creating an entitlement effective before the commencement of fiscal year 1977.

§ 14.3 It is not in order to consider an amendment, including an amendment recommended in a conference report, which provides new entitlement authority to become effective before the first day of the fiscal year beginning in the calendar year in which the bill was reported, under § 401(b) of the Budget Act. 122 Cong. Rec. 32099, 94th Cong. 2d Sess., Sept. 23, 1976 [H.R. 10339, the Farmer-to-Consumer Direct Marketing Act of 1976]. In this instance, a provision in a conference report requiring the President to direct the Secretary of Agriculture to pay a fixed percentage of the cost of transporting agricultural commodities to major disaster areas upon the date of enactment was held to constitute new spending "entitlement" authority which could become effective prior to the fiscal year beginning during the calendar year in which the bill had been reported.

§ 14.4 A conference report containing a Senate amendment which provided new spending "entitlement" authority in violation of § 401 (b) of the Budget Act having been ruled out on a point of order, the House adopted a privileged motion to recede and concur with an amendment which postponed the effectiveness of the entitlement until after the commencement of the fiscal year beginning in the calendar year in which the bill had been reported. 122 Cong. Rec. 32108, 94th Cong. 2d Sess., Sept. 23, 1976 [H.R. 10339, the Farmer-to-Consumer Direct Marketing Act of 1976].

§ 15. Entitlement Legislation Referred to Committee on Appropriations

§ 15.1 Section 401(b)(2) of the Budget Act requires a 15-day referral to the Committee on Appropriations of any reported bill which contains new spending authority in excess of the allocation of new budget authority contained in the report filed pursuant to § 302(b) of that act by the Committee reporting the bill, for consideration by the Committee on Appropriations of amendments limiting the total amount of new spending authority in the bill. 122 Cong. Rec. 14093, 94th Cong. 2d Sess., May 17, 1976 [H.R. 13615, to amend the Central Intelligence Act of 1964]; 123 Cong. Rec. 5370, 95th Cong. 1st Sess., Feb. 24, 1977 [H.R. 3477, the Tax Reduction and Simplification Act of 1977].

§ 15.2 Where two committees had not yet filed reports with the House subdividing among its subcommittees or programs new budget authority allocated to them in the joint statement accompanying a conference report on the concurrent resolution on the budget (as required by § 302(b) of the Budget Act), but where bills reported by those committees contained new spending "entitlement" authority in excess of the total allocations to those committees in the joint statement under § 302(a), the Speaker referred those bills sequentially to the Committee on Appropriations for not more than 15 days as required by § 401(b)(2). 122 Cong. Rec. 14093, 94th Cong. 2d Sess., May 17, 1976. *Note:* The Committees on Armed Services and Government Operations had not filed their § 302(b) reports with the House allocating spending authority among their subcommittees, but according to Congressional Budget Office estimates in both bills the amount of "entitlement" authority exceeded the total amount allocated to those committees in the joint statement of the conference report on the first concurrent resolution on the budget, fiscal 1977.

§ 15.3 Where the Committee on Armed Services had previously reported a bill containing new spending "entitlement" authority in excess of the total allocation to that committee in the joint statement accompanying the conference report on the first concurrent resolution on the budget, and that bill had been referred to the Committee on Appropriations as required by § 401(b)(2) of the Budget Act, the Speaker subsequently referred all other bills reported from the Committee on Armed Services which contained "entitlement" authority to the Committee on Appropriations in like manner, since the total allocation of such spending authority to the Committee on Armed Services for that fiscal year had already been exceeded in the first reported bill. 122 Cong. Rec. 27775, 94th Cong. 2d Sess., Aug. 25, 1976 [H.R. 4105, to amend 10 USC § 1402(a), to revise the rule for computation of retired or retainer pay to reflect later active duty]. *Note:* Since the sole issue presented by the bill was the extent, if any, of the entitlement, the Committee on Appropriations reported the bill adversely on September 17, 1976 (H. Rept. 94–1435, part II) rather than reporting it with an amendment limiting the total amount of spending authority therein.

§ 15.4 Where the Committee on Ways and Means reported a bill on tax reform containing a provision for a "rebate" for taxpayers, including those who paid less tax than the amount of the rebate, and the second concurrent resolution on the budget for fiscal year 1977 did not include the loss in revenues and the increase in budget outlays necessary to implement such rebate, the bill was referred to the Committee on Appropriations for a 15-day period pursuant to § 401(b)(2) of the Budget Act. 123 Cong. Rec. 5370, 95th Cong. 1st Sess., Feb. 24, 1977 [H.R. 3477, the Tax Reduction and Simplification Act of 1977]. *Note:* In this instance the question was whether the rebate constituted an entitlement under § 401 of the Budget Act. With respect to taxpayers who paid more than $50 in taxes in fiscal year 1977, the $50 rebate constituted a decrease in revenues which was not subject to the referral procedures in § 401 of the Budget Act (but which would be set forth in the third concurrent resolution on the budget). For those people who paid less than $50 in taxes, or none at all, the payment could be made not as a refund in tax payments but as an expenditure from a standing appropriation in existing law whose purpose was to make refund payments. Since the rebate provision therefore entitled persons to payment out of a fund for a purpose other than that for which the fund was created, the rebate was viewed in part as new spending authority in the form of an entitlement.

§ 15.5 A bill, reported from the Committee on Armed Services and providing new spending (entitlement) authority exceeding the allocation of spending authority to that committee for that purpose for the fiscal year in question, was referred pursuant to § 401(b)(2) of the Budget Act to the Committee on Appropriations for a period not to exceed 15 days. 123 Cong. Rec. 27161, 95th Cong. 1st Sess., Aug. 4, 1977 [H.R. 5503, to amend Titles 10 and 37 of the United States Code relating to appointment, promotion, separation, and retirement of members of the armed forces].

§ 15.6 The Speaker may discharge a bill from the Union Calendar for reference to the Committee on Appropriations pursuant to § 401(b) of the Budget Act whenever it appears that the bill as reported contains new spending (entitlement) authority exceeding the allocation to the reporting committee for the appropriate fiscal year, as reported under § 302(b) of the act. 123 Cong. Rec. 28173, 95th Cong. 1st Sess., Sept. 8, 1977 [H.R. 3813, to amend an act establishing a Redwood National Park in California]. Thus, when a bill has been reported from committee and placed on the Union Calendar prior to the final adoption of a concurrent resolution on the budget and the publication by the Budget Committee of committee allocations of new entitlement authority, and the new entitlement authority provided by the bill exceeds the amount of such authority allocated to the committee for the fiscal year in question, the Speaker may discharge the bill from the Union Calendar and refer the bill to the Committee on Appropriations pursuant to § 401(b) of the Congressional Budget Act. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., June 5, 1979 [H.R. 3398, a bill reported from the Committee on Agriculture amending the Food and Agriculture Act of 1977 to increase target prices of 1979 crops of certain commodities]; 125 Cong. Rec. p. —, 96th Cong., 1st Sess., June 6, 1979 [H.R. 3434, a bill reported from the Committee on Ways and Means amending the Social Security Act to increase eligibility and payments in the child welfare and social services programs]. See also 124 Cong. Rec. 28543, 95th Cong. 2d Sess., Sept. 8, 1978, where the Speaker under § 401(b) discharged H.R. 13611 from the Union Calendar and referred it to the Committee on Appropriations for 15 days. The Speaker has exercised such authority where the need for a § 401(b) reference did not become apparent until after the bill had been reported. See 124 Cong. Rec. 21786, 95th Cong. 2d Sess., July 19, 1978 [H.R. 12511].

§ 15.7 The Speaker referred to the Union Calendar a bill reported from the Committee on Ways and Means containing, *inter alia*, authority for per diem payments for National Commission on Unemployment personnel at "not to exceed" a certain rate, which the Speaker construed not to contain an entitlement for the ensuing fiscal year exceeding the allocation of new spending authority conferred upon the Committee on Ways and Means by the first concurrent resolution on the budget, since the language merely imposed a ceiling on payments and was not an "entitlement" to any per diem allowance. 125 Cong. Rec. p. —, 96th Cong. 1st Sess., June 6, 1979 [H.R. 3920].

§ 15.8 Where a bill, initially reported from the Committee on Post Office and Civil Service and containing new spending (entitlement) authority in excess of the amount allocated to that committee during fiscal 1980 by the most recent concurrent resolution on the budget, had been sequentially referred to the Committee on Appropriations for 15 legislative days pursuant to § 401 of the Congressional Budget Act, and a large portion of that referral period had been consumed by pro forma sessions, the Chairman of the Appropriations Committee obtained unanimous consent to extend the referral period for an additional 15 legislative days. 126 Cong. Rec. p. —, 96th Cong. 2d Sess., Jan. 24, 1980.

§ 16. Measures Containing Contract or Borrowing Authority Not Subject to Advance Appropriations

§ 16.1 Section 401(a) of the Budget Act prohibits the consideration of a bill or amendment (including a conference report) containing new spending authority in the form of authority to incur indebtedness for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation acts. 122 Cong. Rec. 32655, 94th Cong. 2d Sess., Sept. 27, 1976 [Conf. Rept. on H.R. 5546, the Health Professional Education Assistance Act of 1976]. See part I of H. Rept. 95–1813 for a discussion of special Budget Act procedures relating to "backdoor spending" legislation.

§ 16.2 A conference report authorizing the Secretary of Health, Education, and Welfare to borrow funds by issuing government notes as a public debt transaction to make payments in connection with defaults on loans by medical students, not subject to amounts specified in advance in appropriation acts, was conceded to violate § 401(a) of the Budget Act and was ruled out on a point of order. 122 Cong. Rec. 32655, 94th Cong. 2d Sess., Sept. 27, 1976 [Conf. Rept. on H.R. 5546, the Health Professional Education Assistance Act of 1976]. *Note:* While the definition of new spending authority in § 401(c)(2) which must be made subject to budget authority in advance in appropriation acts does not include authority to insure or guarantee the repayment of individual indebtedness, the authority to make payments in connection with defaults which have already occurred was conceded to constitute a primary liability of the United States to incur indebtedness and to require budget authority to be limited in advance in appropriation acts.

§ 16.3 A conference report containing new spending (borrowing) authority not subject to advance appropriation act amounts having been ruled out in violation of § 401(a) of the Budget Act, the manager of the bill moved to recede and concur in the Senate amendment containing that language with an amendment rendering the borrowing authority subject to amounts specified in advance in appropriation acts. 122 Cong. Rec. 32679, 94th Cong. 2d Sess., Sept. 27, 1976 [Conf. Rept. on H.R. 5546, the Health Professional Education Assistance Act of 1976].

§ 16.4 A resolution was reported from the Committee on Rules waiving points of order against the consideration of a conference report containing a Senate amendment providing new spending (contract) authority not subject to amounts provided in advance by appropriation acts in violation of § 401(a) of the Budget Act. 123 Cong. Rec. 38949, 38950, 95th Cong. 1st Sess., Dec. 15, 1977 [H. Res. 935, providing for consideration of H.R. 3199, the Clean Water Act of 1977]. *Note:* The Budget Committee supported the Budget Act waiver with the understanding that a concurrent resolution would be offered after adoption of the report to correct the enrollment of the bill to make the contract authority subject to the appropriation process. A similar rationale was followed with respect to a waiver of points of order against a reclamation projects bill in August, 1976. Here again, the House adopted a resolution waiving points of order against consideration of a bill containing new spending (contract) authority not subject to advance appropriations acts in violation of

§ 401(a) of the Budget Act. 122 Cong. Rec. 27747, 94th Cong. 2d Sess., Aug. 25, 1976 [H. Res. 1489, providing for consideration of H.R. 14578, authorizing various federal reclamation projects and programs]. *Note:* The Budget Committee supported the § 401(a) waiver on assurance from the Committee on Interior and Insular Affairs that an amendment would be offered to make the contract authority in the bill subject to such amounts as were provided in appropriation acts. For other resolutions reported from the Committee on Rules waiving points of order against the consideration of a bill for (*inter alia*) providing new contract authority not subject to the appropriation process, see 125 Cong. Rec. p. —, 96th Cong. 1st Sess., Apr. 10, 1979 [H. Res. 217]; 125 Cong. Rec. p. —, 96th Cong. 1st Sess., May 31, 1979 [H. Res. 271]; and 125 Cong. Rec. p. —, 96th Cong. 1st Sess., June 8, 1979 [H. R. 2374].

§ 16.5 Section 401(a) of the Budget Act provides that it shall not be in order to consider any bill providing new spending authority. However, a point of order that a section of a bill providing that certain loan receipts were "authorized to be made available" was in violation of the Budget Act was overruled on the grounds that the funds were subject to the appropriation process and thus no new spending authority was involved. 121 Cong. Rec. 28270, 28271, 94th Cong. 1st Sess., Sept. 10, 1975.

§ 16.6. An "authorization" for an appropriation or for funds to be available contemplates subsequent action through the appropriations process, and such language does not itself constitute "new spending authority" which would prohibit the consideration of a bill under § 401 of the Congressional Budget Act. 121 Cong. Rec. 28270, 28271, 94th Cong. 1st Sess., Sept. 10, 1975.

§ 16.7 The Chairman of the Committee on the Budget took the floor during debate on a resolution waiving points of order against consideration of a bill containing new spending authority in violation of § 401 of the Congressional Budget Act of 1974 to announce his committee's position relative to waiver of "back-door spending" provisions not subject to limitations in appropriations acts. 121 Cong. Rec. 8419, 94th Cong. 1st Sess., Mar. 24, 1975 [H. Res. 352, providing for consideration of H.R. 4222].

§ 16.8 A resolution was reported from the Committee on Rules which, *inter alia*, waived points of order against consideration of a legislative bill containing "new spending authority" not limited by amounts specified in appropriation acts—in violation of § 401(a) of the Congressional Budget Act of 1974; provided for consideration of a committee amendment in the nature of a substitute as an original bill; and waived points of order against sections of a substitute containing appropriations. 121 Cong. Rec. 8418, 94th Cong. 1st Sess., Mar. 24, 1975 [H. Res. 352, providing for consideration of H.R. 4222, to amend the National School Lunch and the Child Nutrition Acts].

§ 16.9 A resolution was reported from the Committee on Rules waiving points of order against consideration of a legislative bill containing "new spending authority" not subject to amounts specified in appropriations acts in violation of § 401 of the Congressional Budget Act of 1974; and waiving points of order against a subsection containing an appropriation. 121 Cong. Rec. 13386, 94th Cong. 1st Sess., May 7, 1975 [H. Res. 418, providing for consideration of H.R. 4115, the Nurse Training Act of 1975]. *Note:* The provision in § 202 of the original bill which violated § 401 of the Budget Act was a repeal of the requirement in existing law that amounts for contractual obligations to pay interest subsidies for construction of nurse training facilities be specified in appropriations acts. An amendment was later adopted which struck out that repeal of existing law in the bill.

§ 16.10 A resolution was reported from the Committee on Rules waiving points of order against consideration of a committee amendment in the nature of a substitute containing new spending (contract) authority not subject to appropriations limits in violation of § 401 of the Congressional Budget Act of 1974. 121 Cong. Rec. 22732, 94th Cong. 1st Sess., July 15, 1975 [H. Res. 599, providing for consideration of H.R. 7014, the Energy Conservation and Oil Policy Act of 1975].

§ 17. Waiving Points of Order Against Measures Exceeding Budget Authority or Reducing Revenue Below Levels Established in Second Concurrent Resolution on Budget

§ 17.1 First instance of special rule reported from Committee on Rules, waiving points of order against consideration of bill or resolution in violation of § 311 of the Congressional Budget Act, enactment of which would cause either (1) the level of total new budget authority or total budget outlays set forth in second or subsequent concurrent resolution on the budget for the current fiscal year to be exceeded; or (2) the level of revenues set forth therein to be reduced. The waiver was granted against consideration of a House concurrent resolution reported from the Committee on Ways and Means under the Trade Act of 1974, which would have had the effect of reducing revenue below the level set in the second concurrent resolution. 126 Cong. Rec. p. —, 96th Cong. 2d Sess., Jan. 24, 1980 [H. Res. 529].

§ 17.2 A resolution was reported from the Committee on Rules waiving points of order against consideration of a bill containing new budget authority for the current fiscal year in excess of the ceiling on total budget authority established in the second concurrent resolution on the budget. 126 Cong. Rec. p. —, 96th Cong. 2d Sess., May 13, 1980 [H. Res. 663].

§ 17.3 The House adopted a resolution waiving points of order against consideration of special supplemental appropriation joint resolution not reported for three days and containing new budget authority for the current fiscal year where the aggregate ceiling established by the second concurrent resolution on the budget for that year had already been exceeded (according to reestimates of spending levels reported by the Budget Committee), and permitting consideration in the House under the hour rule. 126 Cong. Rec. p. —, 96th Cong. 2d Sess., May 30, 1980 [H. Res. 688].

§ 17.4 In the Senate, a point of order was sustained and upheld on appeal by a roll call vote against consideration of an amendment reducing the amount of a rescission of appropriated funds (and converting it into a deferral) where the effect was to increase the net amount of total budget outlays contained in the bill to a level which, when calculated together with other spending actions already completed by the Congress, exceeded the total amount of budget outlays provided for the current fiscal year in the third budget resolution for that year. 126 Cong. Rec. p. —, 96th Cong. 2d Sess., June 27, 1980 [H.R. 7542].